

December 21, 2001

Ms. Anna Goddard, Regional Administrator  
U.S. Department of Labor  
Employment and Training Administration  
Room 6M12-61 Forsyth Street, S.W.  
Atlanta, Georgia 30303

Dear Ms. Goddard:

As an early implementation state for the Workforce Investment Act, Kentucky knew that it was charting a new course for its employment and training programs. Since our initial five-year plan was submitted, a number of minor changes have occurred necessitating technical corrections. To that end, Kentucky's strategic five-year Workforce Investment Act plan, and attached appendices, is enclosed. The corrections are as follows:

- ◆ References in the plan to the Office of Training and ReEmployment (OTR) have been corrected to reference the Department for Training and ReEmployment (DTR);
- ◆ Effective date of the plan, shown on the cover page, has been corrected;
- ◆ Table of Contents, Appendix E, typographical error has been corrected, and inserted Rules of Procedure, revised July 12, 2001 (addressed on plan page 19);
- ◆ Plan page 19, paragraph 1, relating to state workforce investment board administration, has been corrected to identify the Office of Workforce Partnerships as the administrative support agency to the state board;
- ◆ Page 52 of the plan, item B, 1, 5<sup>th</sup> bullet, has been corrected to identify the Department for Training and ReEmployment as the agency administering state rapid response activities;
- ◆ Name and e-mail address of the state WIA liaison has been corrected on page 72 of the plan;
- ◆ Name and e-mail address of the state Wagner-Peyser signatory official corrected on page 72 of the plan;
- ◆ Appendix F has been corrected to reflect accurate deobligation policy;

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- ◆ Appendix J, inserted revised Department for the Blind Plan;
- ◆ Appendix K, inserted revised Department of Vocational Rehabilitation Plan;
- ◆ Appendix L, inserted Department for Adult Education and Literacy Plan;
- ◆ Appendix M, inserted responses to U.S. DOL's requests for additional information relating to Kentucky's WIA five-year plan;
- ◆ Appendix M - 1, attachments 1, 2, and 3, inserted negotiated performance measures for PY 2000 and PY 2001 and final performance report of PY 99 (addressed on page 12 of the plan); and
- ◆ Appendix M - 3, inserted updated state workforce investment board membership listing.

Questions may be directed to my staff assistant, Clyda Henderson, at 502-564-5360. As always, I appreciate the assistance you and your staff provide.

Sincerely,

William H. Gaunce  
Commissioner

WHG:CLH:cyn

Enclosure

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## I. PLAN DEVELOPMENT PROCESS

**Process for developing the state plan and a summary of comments considered in the plan development process.**

### A. Timeline (Appendix A)

A series of committees were formed to ensure maximum input into the state plan development process. An operating group was formed from representatives of the Department for Adult Education and Literacy (DAEL), the Department for the Blind (DFB), the Department for Employment Services (DES), the Department for Technical Education (DTE), the Department of Vocational Rehabilitation (DVR), the ~~Office of Department for~~ Training and ReEmployment (~~OTR~~) (DTR), One-Stop Career Center Systems, the Cabinet for Workforce Development, the Kentucky Community and Technical College System (KCTCS), the Cabinet for Economic Development (CED), CED Division for Research and Bluegrass State Skills Corporation, Governor's Office for Policy and Management (GOPM), the Kentucky Labor Cabinet, the Cabinet for Families and Children (CFC), the Council on Postsecondary Education (CPE), the Department for Local Government (DLG), and the EMPOWER Kentucky Simplified Access Team (SAT). See **Appendix B** for a brief description of each agency. Charged with developing a state plan to implement the Workforce Investment Act of 1998, the operating group formed subcommittees to address accountability, finance, information systems integration, one-stop partners, strategic planning and youth. The general public, local officials and other state agencies were also represented on each subcommittee. Meeting for more than five months, these subcommittees developed recommendations for the state plan. They will continue to meet and involve others as the plan evolves over the five-year period.

### B. Comments

To ensure maximum public participation, Kentucky employed multiple formats to involve stakeholders in the planning process. These included the use of cutting edge technologies for statewide, interactive video-conferencing and more conventional approaches. A public hearing was held on December 15, 1998 to solicit input into the plan development process and the designation of local workforce areas. Both oral and written comments were accepted. An additional public hearing was held on March 3, 1999 enabling the public to review and comment on the draft plan. A summary of the public comments is attached in **Appendix C**.

## II. STATE VISION AND GOALS INTRODUCTION

Kentucky, through a number of recent initiatives, has undertaken efforts to enhance the overall workforce investment system. The state's policy makers view the Workforce Investment Act of 1998 as a catalyst to further evaluate and refine the system. The Commonwealth has adopted the following mission statement: *to expand and enhance the quality and quantity of Kentucky's workforce*. Success of this mission is predicated upon achieving the following policy outcomes:

POLICY OUTCOMES	INDICATORS (bulleted) / MEASURES (italicized)
<b>COMPETENCIES</b>	<ul style="list-style-type: none"> <li>• Educational attainment               <ol style="list-style-type: none"> <li>1. <i>Continuous education and retraining</i></li> <li>2. <i>Basic education improvement (e.g. HS diploma, GED, literacy functional level )</i></li> <li>3. <i>Increase number of people with postsecondary credentials, licenses and certificates</i></li> </ol> </li> <li>• Skills standards attainment               <ol style="list-style-type: none"> <li>1. <i>Foundational/basic skill standards</i></li> <li>2. <i>High-performance manufacturing skill standards</i></li> <li>3. <i>High priority occupational skill standards</i></li> </ol> </li> <li>• Information technology literacy               <ol style="list-style-type: none"> <li>1. <i>Degrees awarded in computer fields</i></li> <li>2. <i>New jobs in information technology industry</i></li> <li>3. <i>Measures for elementary/secondary students</i></li> <li>4. <i>Information technology literacy skill of general population (survey)</i></li> </ol> </li> <li>• Information technology access               <ol style="list-style-type: none"> <li>1. <i>Number with access at home</i></li> <li>2. <i>Number with access in the workplace</i></li> <li>3. <i>Number of public access points</i></li> <li>4. <i>Number of WWW servers in Kentucky</i></li> <li>5. <i>Number of computers and Internet access in schools</i></li> </ol> </li> </ul>
<b>MARKET SUCCESS</b>	<ul style="list-style-type: none"> <li>• Market penetration               <ol style="list-style-type: none"> <li>1. <i>Increase number of businesses (with benefits, high technology, and higher wages)</i></li> <li>2. <i>Expansion of existing businesses</i></li> <li>3. <i>Diversity of markets served, especially managerial-level staff</i></li> <li>4. <i>Increase percentage of businesses served</i></li> </ol> </li> <li>• Customer responsiveness               <ol style="list-style-type: none"> <li>1. <i>Increase use by employer and individual customers (first-time)</i></li> <li>2. <i>Increase number of repeat customers</i></li> <li>3. <i>Increase use of multiple services by employers and individuals</i></li> <li>4. <i>Increase customized training</i></li> <li>5. <i>Increase number of placements</i></li> </ol> </li> </ul>
<b>INNOVATIVE ENTREPRENEURIAL CULTURE</b>	<ul style="list-style-type: none"> <li>• Start-up firms</li> <li>• Patents</li> <li>• Initial public offerings</li> <li>• Venture capital funds</li> <li>• Small business innovation research grants</li> </ul>
<b>LABOR FORCE PARTICIPATION</b>	<ul style="list-style-type: none"> <li>• Increase percentage of working age population who are working</li> <li>• Reduce number of unemployment claims</li> <li>• Reduce unemployment insurance average benefit period</li> </ul>

POLICY OUTCOMES	INDICATORS (bulleted) / MEASURES (italicized)
<b>WELL-BEING ENHANCEMENT</b>	<ul style="list-style-type: none"> <li>• Increase per capita income               <ol style="list-style-type: none"> <li>1. <i>Relative to the Commonwealth's current rate</i></li> <li>2. <i>Relative to the national average</i></li> </ol> </li> <li>• Increase median income</li> <li>• Reduce poverty rates               <ol style="list-style-type: none"> <li>1. <i>Relative to the Commonwealth's current rate</i></li> <li>2. <i>Relative to the national average</i></li> </ol> </li> <li>• Increased quality of life</li> <li>• Increase self-sufficiency               <ol style="list-style-type: none"> <li>1. <i>Reduce public assistance recipients</i></li> </ol> </li> <li>• Increase number of jobs with benefits               <ol style="list-style-type: none"> <li>1. <i>Health coverage</i></li> <li>2. <i>Retirement/pension</i></li> <li>3. <i>Unemployment insurance</i></li> </ol> </li> <li>• Reduce underemployment               <ol style="list-style-type: none"> <li>1. <i>Individuals working multiple jobs</i></li> </ol> </li> </ul>
<b>POPULATION SHIFTS</b>	<ul style="list-style-type: none"> <li>• Increase in-migration of working age population</li> <li>• Decrease out-migration of working age population</li> </ul>

### **GOALS AND STRATEGIES:**

Paramount to the creation of this plan is engaging and ensuring long-term stakeholder involvement. Continuous communication, continuity, partnerships emphasizing local empowerment, service integration, and continued accountability will serve as the foundation for systemic workforce reform.

This system must focus on customer needs. Through services provided in a one-stop environment, Kentuckians will have the tools for economic self-sufficiency. Partnerships between service providers and employers will be critical in the development of a market-driven workforce that demands lifelong learning.

The new system envisions access to services through one-stop centers. Such centers, while maintaining flexibility to reflect local workplace needs, will seek to maximize service to all customers.

Access should be provided from multiple, continuous and self-directed locations. Such access can be enabled by Internet-based applications, voice response systems, and virtual office/telecommuting projects. Likewise, assistive technologies can be used in the multiple and virtual access points to assure access for all individuals regardless of literacy, skill level, or physical disability. Communications among providers, employers, and job seekers will be expedited through the use of Internet e-mail, enabled shared scheduling, and on-line dialogue capabilities. Technology will also be a critical factor in maximizing the capability to provide training through distance learning.

#### **A. What are the State's broad strategic economic and workforce development goals?**

Governor Paul Patton's overarching goal for the Commonwealth is to enhance the quality of life and propel Kentucky to achieve economic opportunity above the national average in 20 years. Additionally, through a statewide strategic planning process, the following economic development goals were established: to reduce unemployment and increase per capita income; create a globally competitive business environment; manage resources to maximize return on investment; and manage Kentucky's natural resources and cultural assets to ensure long-term productivity and quality of life. The goals are being achieved through numerous state and private sector initiatives.

Kentucky recognizes the critical importance of expanding, improving, and sustaining a system of workforce development and life-long learning. The Cabinet for Workforce Development currently includes agencies that are responsible for the following major federal education, employment and training programs: Job Training Partnership Act (JTPA), the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, the Vocational Rehabilitation Act, the School-to-Work Act, and the One-Stop Career Center System federal initiative. In addition, the Cabinet houses the state's Occupational Information Coordinating Committee, the state Job Training Coordinating Council, the State Board for Adult and Technical Education, the State Board for Proprietary Education, and the Workforce Partnership Council. No other state agency in the country includes all of these programs under one organization umbrella. The administrative structure has enabled Kentucky to develop policies, plans, and programs that are closely linked and integrated.

In June 1994, Kentucky completed the first-ever Strategic Plan for Economic Development. The plan was prepared by the Kentucky Economic Development Partnership Board, a public-private body established by the Kentucky General Assembly and charged with overseeing economic development activities throughout the Commonwealth. In preparing the plan, the Board collected substantial data on the state's economic, social, and education status, met with and interviewed Kentuckians from all regions of the state and all sectors of the economy, and conducted over 20 focus groups around the state in which public and private sector Kentuckians had an opportunity to express their views on the current economic situation and their priorities for the future. Workforce training was a critical element of the Economic Development Strategic Plan. The need for a better-trained workforce was the most frequently mentioned issue in many focus groups. Implementation teams were put together and continue to work on the plan's recommendations for workforce development efforts.

In a 1997 special session, the General Assembly enacted the *Kentucky Postsecondary Education Improvement Act*. One of the focal points of this legislation was the creation of the Kentucky Community and Technical College System (KCTCS). KCTCS is charged with the provision of the first two years of postsecondary education and more specifically, is expected to provide education and training programs "necessary to develop a workforce with the skills to meet the needs of new and existing industries...." This charge is further articulated in the legislation by assigning KCTCS the responsibility to "increase the technical skills and professional expertise of Kentucky workers" through degree, diploma, and certificate programs, and to develop a pool of educated citizens to support the recruitment and expansion of business and industry. Clearly, accomplishing these mandates is critical to realizing the economic development strategic plan goals and maintaining consistency with the goal to raise the Commonwealth's per capita income.



The Commonwealth's unique social and economic circumstances must be recognized and accommodated. It is essential that an improved system include a more efficient utilization of resources, greater private sector involvement, and a more inclusive approach to policy-making and planning that will enhance collaborative relationships. Changes driven by a policy that emphasizes local engagement and flexibility in planning and decision-making are critical to meet the workforce needs of the citizens of Kentucky.

Local empowerment to implement the provisions of an improved workforce development system provides the flexibility needed to meet changing employer needs and community challenges. To achieve sustained, long-term benefits and expand community engagement, a coordinated local effort is imperative. Locally designed and driven workforce development systems developed in partnership with local elected officials (LEOs) and workforce investment boards (WIBs) are essential to meet changing employer and community needs.

Kentucky's current workforce investment technology framework has been greatly enhanced due to technology and reengineering initiatives. For example, EMPOWER Kentucky is an initiative to redesign business processes and utilize technology to generate cost savings, increase revenue, and improve services in state government. As a result, Kentucky is in the forefront in implementing the basic underlying principles of the Workforce Investment Act of 1998. Early implementation allows the Commonwealth to seize this timely opportunity to further grow our technology, taking advantage of increased flexibility and innovative service delivery strategies. The new system will be universal, seamless, performance based and responsive to the needs of job seekers, information seekers, employers, and providers in order to facilitate information flow and accountability for all levels of program participants.

Kentucky envisions the Act as the vehicle for a broader, more comprehensive approach to meet its workforce challenges. The coordination and cooperation demonstrated in the plan development process is an indicator of the approach to implement the Act throughout the Commonwealth. Key principles that guide both plan development and subsequent implementation illustrate this commitment. They are:

- a workforce that is prepared to meet employer needs;
- workers who are able to earn a sustainable income;
- utilization of technology to deliver a new system that will be universal, seamless, performance based and responsive to the needs of job seekers, information seekers, service providers and employers; and
- active partnerships within local communities to coordinate programs among agencies and with employers.

Kentucky views this opportunity to develop an implementation plan for the Act with great importance. Although Kentucky has implemented improvements to its current workforce delivery system, it is evident that much more needs to be done to ensure that the workforce possesses the skills necessary to compete in today's economy. Poverty levels, low per capita income, and low levels of educational attainment must be addressed through a holistic approach that serves the needs of all Kentuckians.

**B. State's vision of how the Act's statewide workforce investment system will help the state attain these strategic goals.**

Kentucky's workforce investment system is the primary mechanism through which the strategic economic and workforce development goals will be attained. Creating a unified workforce investment framework will require incorporation of the principles underlying the Commonwealth's 1997 postsecondary education reform. The new workforce system will be:

- universal
- seamless
- customer-focused
- performance based

The new system will respond to the needs of all Kentuckians, especially employers, job seekers, and information seekers, by addressing the Commonwealth's changing demographics and its technological and economic needs. The reformed workforce investment system's ultimate measure of success will be a higher standard of living in Kentucky.

Kentucky's vision for the Act is to improve the quality of the workforce, reduce welfare dependency, and enhance productivity and global competitiveness. To accomplish this vision it will be necessary to:

- **Refocus** workforce and economic development efforts through a commitment to a comprehensive strategic plan that addresses customer needs; and
- **Redesign** an effective universal structure and service delivery system that is accessible to all through proven re-engineering techniques and deployment of cutting edge information technology.

**Vision Questions/Statement**

- **In five years, how will services be further streamlined?**

Rethinking the way customers are served in the one-stops is essential to create an integrated workforce investment system. Kentucky is streamlining traditional state administered programs and avoiding duplication of services through agency consolidation in many of the executive branch cabinets. The Commonwealth has been aggressively implementing technological solutions over the past three years, many of which have direct benefits for implementation of the Act. Through these solutions, Kentucky will continue to streamline services by integrating systems and providing the state infrastructure, both through technology and refined business processes necessary to promote electronic data sharing and communications among cabinets and programs. While recognizing that many clients will continue to need direct contact and interaction with agency staff, Kentucky's technology direction in the next few years will reflect the federal strategy to provide technology tools and computerized assistance for self-help services.

Therefore, a critical component will be creativity and innovation at the local level. Generally, it is difficult at the state level to identify methods to streamline services. In order to promote this innovation, the state will establish incentives such as demonstration grants to develop and model best practices.

To further streamline services, the state has established enterprise information technology standards and architecture that will offer better services to its citizens. The architecture and standards must allow for maximum access and flexibility to achieve this vision. Therefore, customers can regularly access information technology resources from numerous of locations. Finally, as the architecture evolves, all applications will be built to promote full compatibility (e.g. modularity, openness) and resource sharing.

There should be no systems that restrict access and limit the effectiveness of shared customer information; however, locally designed technology systems may also be needed for specific labor market information. Such systems should be designed in compliance with the state's information technology architecture and standards to ensure interoperability and data sharing. Equipment and assistance should be non-program dedicated, and there will be unrestricted on-site access to resource room tools.

In order to efficiently and effectively serve customers, capacity building and staff training needs will be identified and addressed. These efforts, based on local workforce investment area demands, will be ongoing to continuously improve the system.

- **What programs and funding streams will support service delivery through the one-stop system?**

All required and any additional partners will support service delivery through the one-stop system by providing funds, services, staff, or other in-kind resources. Within each local area, the mix and level of service delivery will be negotiated between the partners and the local WIB.

- **Typically, what information and services will be provided and how will customers access them? How will the goal of universal access be assured?**

Services and information for customers will be publicized statewide and available in local workforce investment areas through multi-access points and in multiple formats (electronically, public/print media, etc.). Services and information may include: labor market information, educational opportunities, employment opportunities, employer requested customized training, and job matching. Universal access will be assured through criteria established by the KWIB and the local plan approval process managed at the state level. On-line access will be part of the design consideration for information service delivery.

- **For customers who need training, how will informed customer choice and the use of the Individual Training Accounts (ITAs) be maximized?**

A management information system database will be developed to facilitate the oversight and accountability of ITAs. As part of this design, the ~~Office of~~ Department for Training and ReEmployment will maintain an electronic directory of eligible providers that includes performance data. Regularly updated, this list will be available to the local WIB staff, the one-stop staff, and individuals through multiple formats including print and public media, and electronic means such as web sites on the Internet. Also, the *Kentucky Resource Directory*, along with the appropriate Internet site, will serve as another vehicle for information regarding

training providers. Local WIBs will be required to specify in their plans the criteria for exceptions to the use of ITAs.

- **How will the Wagner-Peyser Act and unemployment insurance services be fully integrated into the system?**

Through reengineering and technology, all of these services will be provided in a one-stop system.

- **How will the state's workforce investment system help achieve the goals of the state's welfare, education, and economic development systems?**

The Governor's goal to increase the Commonwealth's per capita income to the national average in 20 years can only be achieved through a combination of improved educational attainment and expanded economic development initiatives. The *Postsecondary Improvement Act of 1997* articulates this vision by stating that the general welfare and material well being of the Commonwealth's citizens depend in large measure upon the development of a well-educated and highly trained workforce. Further, the education and training of the current and future workforce can provide businesses and industries with the competitive edge critical to success in the global economy and must be improved to provide citizens the opportunity to achieve a standard of living above the national average. The recently created KCTCS is charged with the responsibility to assure the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.

In creating a workforce system that is more flexible, responsive to customers, accessible, and designed to break down barriers which artificially limit workers' success, the overall outcome will be a better educated and trained workforce that leads to an improved standard of living. In turn, additional education and training creates globally competitive employees who increase industry productivity.

Greater system coordination will assist employers in meeting their workforce needs. Assistance in obtaining trained workers enables existing industries to expand and encourages the recruitment of new companies. A single point of contact for employers coupled with centralized data access will make it easier to identify a trained worker pool or appropriate training provider.

Technology improvements in service delivery with an emphasis on self-service and accountability will allow Kentucky's welfare, education, and economic development systems to achieve the state's workforce development goals. Please reference **Appendix D** (WIA Framework for Information Technology) for further explanation.

Under the EMPOWER Kentucky initiatives, the Commonwealth has completed extensive re-engineering efforts aimed at improving the delivery of health, human, and employment services. Simplified Access to Commonwealth Services is an EMPOWER Kentucky initiative involving the Cabinet for Workforce Development, the Cabinet for Families and Children, and the Cabinet for Health Services. With the advent of welfare reform, healthcare reform, and

workforce investment legislation, Kentucky is faced with unprecedented requirements for overhauling its basic social services infrastructure.

The expanded array of services supported by the redesigned workforce investment system will benefit the general population as well as targeted audiences such as welfare clients. Universal access will assist all unemployed or underemployed workers to identify relevant support or educational programs that contribute to a skilled workforce. This will also reduce any perceived stigma that services are only for low-income individuals. The addition of counseling services will lead to more appropriate matches between skills and employment opportunities and assist customers in their pursuit of different career goals. Increased outreach efforts, including marketing to target audiences, will assist in making groups such as welfare clients aware of the services available through the system. Close working relationships between the local welfare planning entities and the one-stop centers will help assure that this critical population receives professional workforce development services in a non-threatening and seamless fashion, increasing the potential for successful transition from welfare dependency to self-sufficiency. Effective interagency communication, information sharing, and referrals can be enhanced greatly by the use of electronic communications/telecommunications.

Distance learning technology permits delivery of educational programs and courses to multiple sites to maximize the use of resources. Created as part of the state's *Postsecondary Improvement Act*, the Commonwealth Virtual University will expand educational access and increase educational attainment across Kentucky; upgrade workforce skills and expand professional development through basic and continuing education; increase collaboration and foster efficiency and effectiveness in delivering courses and programs; enhance educational quality; and increase global competitiveness of Kentucky's educational resources. Service to employers will be enhanced through the offering of programs specifically designed to meet their training needs. Access to information on educational programs and their effectiveness enables more effective decision-making.

Local flexibility allows communities to target specific educational and training needs of the population such as those who need literacy training. Certification of multiple providers in each community, coupled with individual choice to select an educational program, provides an increased opportunity for personal responsibility.

By designing a workforce investment system more consistent with the goals and needs of the welfare, education, and economic development systems, Kentucky will make significant progress toward achieving its goal of improving economic prosperity and raising the standard of living in the Commonwealth above the national average in 20 years.

Increasing skills = higher rates of employability = higher wages = increased levels of business productivity = higher levels of economic activity = higher tax revenues on a lower base to fund social programs = continued prosperity.

- **How will the youth programs be enhanced and expanded so young people have the resources and skills they need to succeed in the state's economy?**

The state will ensure that the local areas, through their youth councils, have the flexibility to develop programs to assist young people in accessing services that will enhance and/or expand their education and employment skills. There are several exemplary programs throughout the Commonwealth that currently address the varied needs of our youth. Some examples include Jobs for Kentucky Graduates (JKG), Job Corps, Family Resource Centers (instituted under the Kentucky Education Reform Act), Goodwill Industries' youth training programs, and other local youth training initiatives that have been very successful in addressing "high risk" youth. The extension of these programs in the local area will provide the necessary resources and linkages in order for the youth to access more opportunities to receive the training and education needed to obtain and retain employment. Youth 14-18 will be provided with training and education services, including summer employment activities, through contracted services. Youth 19-21 will access services through the one-stop.

It is imperative that programming be a local decision. Local youth councils will ensure youth programs are enhanced so young people have resources and to develop needed skills. The local youth council will depend on area employers to define necessary skills and the Secretary's Commission on Achieving Necessary Skills (SCANS) to prepare youth for success in the state's economy. Local decisions may include expanding JKG, Job Corps, summer youth employment, or other existing programs.

**C. Identify the performance indicators.**

For adults, dislocated workers and youth 19-21

- Entry into unsubsidized employment
- Six-month retention in unsubsidized employment
- Six-months earnings received in unsubsidized employment
- Attainment of educational or occupational skills credential

For youth 14-18

- Attainment of basic skills, work readiness and/or occupational skills
- Attainment of secondary school diplomas/equivalents
- Placement and retention in postsecondary education/advanced training in military, employment, or registered apprenticeships
- Participant customer satisfaction and employer customer satisfaction

~~Kentucky will submit performance indicators as soon as they are approved by the Accountability Committee of the KWIB. No additional measures are requested for the first year of the plan. See charts attached to Appendix M - 1 (6/21/99 Response to U.S. DOL).~~

Kentucky will continue to monitor and evaluate and may, in the future, add additional measures.

### **III. ASSESSMENT**

#### **A. Market Analysis**

##### **1. Key trends expected to shape the economic environment of the state during the next five years.**

In 1997, manufacturing represented 14.9 percent of all jobs in Kentucky and services comprised 25.4 percent. In durable goods manufacturing, the fastest growing sectors are transportation equipment, motor vehicles, and fabricated metals products. High growth nondurable goods manufacturing sectors include rubber and miscellaneous plastic products, paper and allied products, and textile mill products (U.S. Department of Labor, Bureau of Labor Statistics).

From 1993 to 1997, business services grew almost seven percent per year, the fastest growth among service industries. The service sectors with the largest share of employment in Kentucky were business services and health services. Business services comprised 19.3 percent of all service sector jobs in 1997 (U.S. Department of Labor, Bureau of Labor Statistics).

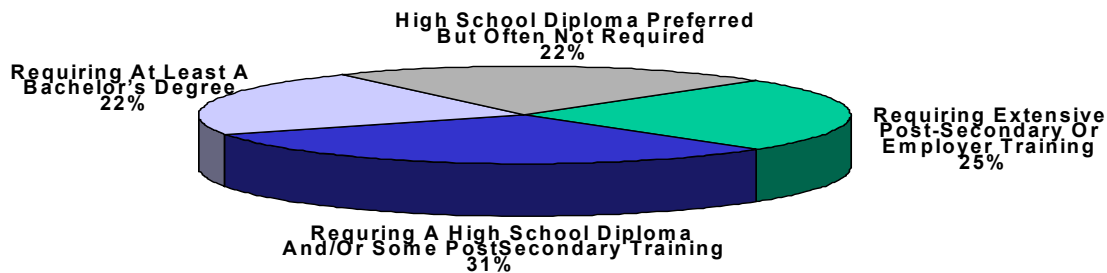
#### **Kentucky's Occupational Outlook to 2005**

The Kentucky economy is expected to grow at a rate of about 17 percent and create more than 300,000 new jobs through 2005. An additional 428,000 job vacancies will likely occur as workers leave or separate from various occupations in Kentucky. Such job vacancies become available from retirements, promotions, or transfers within occupations. This means the Kentucky economy will generate over 66,000 jobs per year through 2005 that will have to be filled by newly educated and trained workers.

Nearly 50 percent of the new jobs created through 2005 will be in two major occupational divisions: professional/technical and services. Employment in professional/technical occupations will produce the most new jobs of all sectors followed by new service jobs. Within these two major sectors, health care and computer-related occupations will grow very rapidly through 2005. New jobs in personal service and protective service occupations will also increase at a very fast pace.

Employment will grow in occupations requiring all levels of education and training. Kentucky's job growth will range from 22 to 31 percent through 2005 when allocated among the four education levels illustrated in the following graph. Employment in occupations requiring education and training beyond high school will increase in the share of total employment by 2005.

**Percent of Total Kentucky Job Growth  
by Education or Training  
1994-2005**



Source: Kentucky Workforce Development Cabinet, Department Employment Services, Research and Statistics Branch.

According to the University of Kentucky's 1999 *Annual Economic Report*, the following sectors are expected to experience at least a two percent decline over the next three years:

- coal mining
- food processing
- tobacco manufacturing
- printing and publishing
- leather products.

The only decline in the service sector is expected in federal government employment, which has a projected decline of .8 percent.

**2. Identify the implications of these trends in terms of overall availability of employment opportunities by occupation, and the job skills necessary in key occupations.**

All economic development begins with construction. The current economic expansion in the nation and especially in Kentucky has fueled the need for skilled craftsmen. According to the University of Kentucky's Center for Business and Economic Research, 85,187 Kentuckians were employed in the construction industry during the fourth quarter of 1998. Job growth in this sector is forecast at 1.70 percent in 1999, 1.01 percent in 2000 and 1.5 percent in 2001. In order to sustain current and expected economic growth, there must be trained workers to construct the needed infrastructure for industry and residential housing.

Often, the need for workers in construction trades cannot be quantified. Demand data collected by the Department for Employment Services (DES) does not accurately reflect the number of positions available in this sector because employers in the construction industry do not necessarily utilize DES. A recent informal survey by the Associated General Contractors of Kentucky suggested that nearly every construction project in Kentucky is in need of additional workers, particularly those with higher level of skills. The survey specifically noted a shortage of masons and specialty fields.



Strategies to overcome the shortage of skilled workers in the construction sector will need to address characteristics of the industry such as incumbent workers migrating to an ever-changing work site. In addition, many employers are not Kentucky-based; therefore, partnering with employers in training endeavors can be difficult and will present a challenge for Kentucky's workforce investment system.

The Kentucky Cabinet for Economic Development recently partnered with other economic development organizations to develop a target industry analysis. The study identified two industries for each of five regions across the state in which Kentucky can provide competitive advantages. The industries were chosen based on the return on investment each would bring to the state. The following table indicates the industries, occupations associated with each, and the region of the state for which the industry is being targeted. It must be noted, however, that while the study allows Kentucky to utilize limited marketing resources more effectively, there are many other industry sectors for which Kentucky offers a competitive advantage.

Industry	Occupations associated with industry	Targeted Region
Production distribution and construction related machinery and equipment	Machinists, assemblers and fabricators, production supervisors, sales and related workers, tool and die makers	Central and Northern Kentucky Regions
Automotive parts and accessories	Assemblers and fabricators, blue collar worker supervisors, inspectors, tester, and graders; machine tool workers; machinists	Central Kentucky
Subassemblies and components	Electrical and electronic assemblers; assemblers and fabricators; inspectors, testers and graders; blue collar workers supervisors; electrical and electronic engineers; electrical and electronic technicians	Eastern Kentucky
Rubber and plastics products	Plastic molding machine operators, assemblers, and fabricators; tire building machine operators; machine operators	Eastern Kentucky
Delivery time sensitive high value-added products and services	Electrical and electronic technicians, including repair; electrical and electronic engineers; secretaries; computer engineers and scientists	Louisville/I-65 corridor
Metal stamping and machined products	Assemblers and fabricators; sheet metal workers; welders and cutters	Louisville/I-65 corridor
Headquarters and sales offices	Account managers, sales professionals; production managers; customer service representatives; computer operators	Northern Kentucky
Port-related manufacturing	Blue collar worker supervisors; laborers and material movers; packaging filling machine operators; assemblers and fabricators, industrial machinery mechanics; machine feeders, drivers of light and heavy trucks	Western Kentucky
Information age (call centers and back office operations)	Customer service representatives; network technicians; collection agents, general clerks, secretaries, administrative assistants, production clerks	Western Kentucky

Source: Target Industry Analysis. Prepared for the Cabinet for Economic Development by the Wadley-Donovan Group, 1997.

The Target Industry Analysis also included an employer attitude survey. The survey indicated that many employers are not able to hire persons with the skills needed by their firms. Further, the current workforce development system does not adequately identify employer needs nor effectively prepare Kentucky workers for future opportunities. The employers indicated a

shortage of workers in most skilled production and maintenance occupations (machine operators, and maintenance mechanics), experienced managers, computer systems professionals, and technicians.

In addition, basic skills of job applicants were found lacking, particularly in writing ability, verbal skills, arithmetic/mathematics, and reading comprehension. The computer literacy of applicants was also reported as unsatisfactory, except for general keyboard skills, which was rated as acceptable. Other sources report that potential employees lack many of the soft skills desired by employers such as the ability to work in teams, to accept direction and accept responsibility, conflict resolution, punctuality, attendance, etc.

In addition to the research by the Cabinet for Economic Development, the Louisville/Jefferson County area identified that growth industries are also anticipated in the medical/biomedical and logistics/distribution sectors.

### **3. Identify the customers of the state's workforce investment system.**

The customers of the Kentucky workforce investment system are job seekers, information seekers, and employers. Job seekers include first-time entrants into the labor market, persons seeking career changes, and persons re-entering the labor market. An information seeker may be any person desiring education, training, or employment information made available through the system. Employers are any public or private sector employer. These broad categories represent potential users and will serve to guide development of a system that is universal, seamless, customer-focused, and performance based. Such a system will be responsive to customer needs and support flexibility in local workforce investment areas by permitting identification of target populations based upon local demographics. This system will also be responsive to the needs of long-term job seekers who may be participating in an educational/training program.

### **4. Given the projected job skills needed in the state, identify for each of your customer segments their projected skill development needs.**

Current and projected growth in the industrial sectors of transportation equipment, fabricated metals, plastic products, paper and allied products, and textile mill products reveals that skills training in increasingly technical manufacturing jobs is needed. In addition, as service sector and information based employment increases, professional, technical, healthcare and computer related occupations will require additional training in information technology, geographic information systems, and skills associated with healthcare.

Kentucky realizes that growing the economy from within will provide additional employment opportunities for its citizens. Therefore, the state intends to provide training in entrepreneurial development. This training will equip those citizens who wish to start their own business with the skills for owning and operating an enterprise.

The following is a representative list of anticipated skills training needs.

**Industrial Sector Technical Skills Training Needs:**

- computer aided design
- computerized numerical controls
- computer skills/computer software
- electronics
- machine and process operation
- maintenance
- motor controls
- programmable logic controllers

**Service Industries Training Needs:**

- marketing
- accounting
- information management

**Entrepreneurial Training Needs**

- accounting
- management
- planning
- oral communications
- time management
- analytical skills

**Soft Skills**

- communications
- leadership/supervisory skills
- problem solving
- teamwork/team building

**Quality**

- just in time
- quality system
- total quality management

**B. State Readiness Analysis****1. Leadership****a. Kentucky Workforce Investment Board (KWIB) - (i through vi):**

The 25 member Kentucky Workforce Investment Board (KWIB) was established by Governor Paul Patton on February 17, 1999. With the exception of state legislators, members were appointed by the Governor from nominations submitted by the general public, interest groups such as business and trade organizations, and state labor federations. Those appointed represent the following groups: business, community-based and labor organizations, youth, state legislators, elected and lead state government officials.

The KWIB's activities will be administered by staff in ~~the Office of Training and ReEmployment (OTR)~~ Office of Workforce Partnerships which will ~~continue providing~~ provide orientation ~~technical assistance~~, and administrative support. DTR, as the Governor's administrative entity for Title I, will provide guidance, technical assistance, and reports relating to programmatic, performance, and fiscal matters. enabling the Board to operate in the most efficient and effective manner. ~~OTR~~ The Office of Workforce Partnerships will be the repository for state KWIB materials and records. ~~therefore, records regarding WIB activities may be obtained by contacting the executive director of OTR.~~ OTR Office of Workforce Partnerships staff will ensure adequate public notice regarding KWIB meetings and activities as required by KRS 61.820 and 61.823.

Adopting Rules of Procedure at its March 12, 1999 meeting, which were then amended at the July 12, 2001 meeting, (Appendix E), the Board approved an active policy role in shaping the statewide workforce development system through the establishment of standards of accountability, sanctions and incentive policies, and evaluating local efforts to achieve the Governor's goal for greater economic opportunity.

Rather than mandating prescriptive policies, the KWIB will adopt broad guidelines to assist the local WIBs, enabling quality and continuous improvement at the local level. Kentucky's WIB will encourage consolidated planning and delivery of services through a coordinated and interactive process involving the local WIBs.

**b. Kentucky's conflict of interest policy is applicable to both the KWIB and local WIBs. It follows:**

Conflict of interest would exist if a member of a board participated in a discussion or decision that would financially benefit that individual, an immediate family member of that individual, or an organization employing that individual or an immediate family member of that individual. It is incumbent that each member of the board identifies when a conflict of interest or a potential conflict of interest is possible in order to refrain from any discussion or decision-making regarding that matter. Such identification should be voiced prior to any discussion regarding that matter. Should this be an issue requiring a vote, the member must abstain from voting or participating in the decision-making process.

No member of any local WIB established under the Act shall cast a vote on the provision of services by that member (or any organization that that member directly represents) or vote on any matter that would provide direct financial benefit to that member.

Whenever the CWD Secretary determines that there is a substantial conflict of interest violation, the Secretary may issue a notice of intent to revoke approval of all or part of the plan affected.

**c. State criteria for establishing and maintaining the local WIB.**

**Local WIB Composition:**

The WIB shall be comprised of members as identified in Section 117 and 121 of the Act as follows:

- representatives of business in the local area;
- representatives of local educational entities, including representatives of local educational agencies, local school boards, entities providing adult education and literacy activities, and postsecondary educational institutions (including representatives of community colleges, where such entities exist), selected from among individuals nominated by regional or local education agencies, institutions, or organizations representing such local educational entities;
- representatives of labor organizations (for a local area in which employees are represented by labor organizations), nominated by local labor federations, or (for a local area in which no employees are represented by such organizations), other representatives of employees;
- representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present);
- representatives of economic development agencies, including private sector economic development entities; and
- representatives of each of the one-stop partners as follows:
  - programs authorized under WIA title I;
  - programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.)’
  - adult education and literacy activities authorized under WIA title II;
  - programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);
  - programs authorized under section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5));
  - activities authorized under title V of the Older American Act of 1965 (42 U.S.C. 3056 et seq.);
  - postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);
  - activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et. seq.);
  - activities authorized under chapter 41 of title 38, United States Code;
  - employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);
  - employment and training activities carried out by the Department of Housing and Urban Development;
  - programs authorized under state unemployment compensation laws (in accordance with applicable federal law); and may also include entities that carry out a human resource program described in Section 121 (b)(2)(B).

A majority of the LWIB must be representatives of business in the local area.

## **LWIB Maintenance:**

~~OTR~~ DTR at the direction of the KWIB, will establish certification procedures for the LWIBs. The representative of any organization, agency, or other entity shall have that organization as his/her primary employer, unless that organization has no direct employees in a given area, such as some economic development agencies. As an example, an individual who owns a business and/or works full time for another employer, such as the public employment service, could not represent the private sector but could represent the employment service.

### **d. Allocation Formulas**

#### **i. State's system for Allocation of Workforce Investment Act Funds**

WIA Title I Funds are allocated on the basis of the prescribed formula and methodology from the United States Department of Labor (U.S. DOL). The formula is one-third based on relative number of unemployed, one-third on relative excess number of unemployed, and one-third on relative number of disadvantaged individuals compared to the total number of each in all states.

The funds allocated to the local areas for youth activities and adult training and employment activities will be allocated based on the formulas specified in Section 128(b)(2)(A)(I) and 133(b)(2)(A)(I) respectively. The two additional discretionary factors specified in 128(b)(3) and 133(b) 3 will not be used. As the local areas have not changed, the state intends to enact during the first year a hold harmless provision where each area receives at least 90 percent of the allocation percentage of the local area for the preceding fiscal years if allowed by WIA regulation.

The Governor will allocate to the local workforce investment areas 85 percent of the Act Section 127 youth funds. Five percent will be used for statewide administration, and 10 percent will be reserved to carry out statewide youth, adult, and dislocated worker activities specified in the Act.

The Governor will allocate to the local workforce investment areas 85 percent of the Act Section 133 adult employment and training funds. Five percent will be used for statewide administration, and 10 percent will be reserved to conduct statewide youth, adult, and dislocated worker activities specified in the Act.

The Governor will allocate to the local workforce investment areas 60 percent of the Act Section 133 dislocated worker funds. Twenty-five percent will be reserved for statewide rapid response activities, five percent for statewide administration, and 10 percent will be reserved for statewide adult, youth, and dislocated worker activities specified in the Act.

**ii. Describe the State's allocation formula for dislocated worker funds.**

Dislocated workers funds will be allocated to the local areas using the six factors prescribed in Title I, Section 133(b)(2)(B). Ninety percent of the funds allotted to the local areas will be allocated in the following manner: 30 percent based on unemployment insurance data, 40 percent based on unemployment concentrations, two percent based on plant mass layoffs, 13.5 percent based on declining industries, .one half percent based on farmer-rancher economic hardship data, and 14 percent based on long-term unemployment. The remaining 10 percent of the funds allotted to the local areas will be allocated 60 percent based on unemployment concentrations and 40 percent based on declining industries.

**iii. Include a chart that identifies the formula allocation for each funding stream to each local area for the first fiscal year.**

**(THESE ALLOCATIONS ARE BASED ON APPLYING THE HOLD HARMLESS PROVISION FOR ADULTS AND YOUTH)**

Local Area	Adults	Summer Youth*	Youth*	Dislocated Workers
PURCHASE/PENNYRILE	\$ 902,608	\$ 950,445	\$ 118,350	\$ 714,332
LINCOLN TRAIL	\$ 502,651	\$ 531,926	\$ 66,558	\$ 329,572
LOUISVILLE/JEFFERSON	\$ 930,990	\$ 967,833	\$ 122,290	\$ 993,646
NCKC	\$ 105,089	\$ 90,917	\$ 13,804	\$ 150,177
NORTHERN KENTUCKY	\$ 309,036	\$ 304,385	\$ 40,594	\$ 405,260
TENCO	\$ 844,499	\$ 831,733	\$ 109,357	\$ 339,131
EKCEP	\$ 4,877,993	\$ 4,957,707	\$ 641,359	\$ 845,650
CUMBERLANDS	\$ 2,642,631	\$ 2,684,370	\$ 347,581	\$ 858,890
BLUEGRASS	\$ 609,297	\$ 600,583	\$ 80,034	\$ 574,778
GREEN RIVER	\$ 1,091,795	\$ 1,109,040	\$ 143,601	\$ 415,552
BARREN RIVER	\$ 596,403	\$ 622,596	\$ 78,340	\$ 416,088
	<u>\$ 13,412,992</u>	<u>\$ 13,651,535</u>	<u>\$ 1,761,868</u>	<u>\$6,043,076</u>

\* These amounts are allocated based on JTPA rules in effect on April 1, 1999 except that 85% of the IIC funds are allocated to the local areas according to the JTPA formula. This is in accordance with the draft "Training module – Transition/Closeout" received.

**e. Describe the competitive and non-competitive processes used at the State level to award grants and contracts for Title I activities, including how potential bidders are being made aware of the availability of grants and contracts.**

**Standards Established Through Section 184(a)(3) of the Act**

Kentucky has prescribed and implemented procurement standards that are in accordance with Section 184(a)(3) of the Act. Section 184(a)(3) requires states, local areas and providers receiving funds under this Act to comply with the Uniform Administrative Requirements as promulgated in circulars or rules by the Office of Management and Budget. The Uniform Administrative Requirements, codified by the Department of Labor



in 29 CFR Part 97, provides the standards and procedures for procurement of goods and services in Section 97.36, *Procurement*.

Realizing the critical need for information technology resources, the Commonwealth has established The Strategic Alliance Services (SAS) Contracts Request for Proposal. This is the Commonwealth's initiative to expedite, simplify, and facilitate solution building, and to provide negotiation flexibility in how the executive branch cabinets procure services for information technology. The SAS contract will permit access to 15 state price contracts for information technology project services from private sector companies through a just-in-time delivery system.

The administrative regulation 29 CFR 97.36(a), reads as follows: "When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-federal funds." The Commonwealth of Kentucky uses the provisions of the *Kentucky Model Procurement Code* [Kentucky Revised Statutes (KRS), Chapter 45A] for the procurement of all goods and services by state agencies. These methods for awarding contracts are contained within the Model Procurement Code:

- Competitive sealed bidding (KRS 45A.080);
- Competitive negotiation (KRS 45A.085 and 45A.090);
- Noncompetitive negotiation (KRS 45A.095);
- Small purchase procedures (KRS 45A.100); and
- Responsibilities of bidders and offerors (KRS 45A.110).

**f. Identify the criteria to be used by local boards in awarding grants for youth activities, including criteria used by the Governor and local boards.**

In awarding grants for youth activities, KWIB and LWIBs will assure that providers must address applicable criteria from the following:

- ability to deliver testing and assessment services;
- strong employer linkage;
- comprehensive guidance and substance abuse counseling;
- employment opportunities: paid and unpaid work experience that follow federal and/or state child labor laws;
- accommodations for special needs populations;
- ability to deliver basic skills, tutoring and training skills including drop-out prevention strategies;
- alternative secondary school services;
- summer employment opportunities directly linked to academic and occupational learning;
- work experiences, including internships and job shadowing;
- occupational skills training;
- leadership development opportunities;
- supportive services;

- adult mentoring for not less than 12 months; and
- follow-up services.

The local boards have the discretion to determine what specific services are provided to youth participants based upon local area needs.

**g. If this responsibility was not delegated to local boards, provide definition regarding the sixth youth eligibility criterion.**

This is a local decision that will be reviewed by ~~OTR~~ DTR during the local planning process. The state's strategy for assisting these individuals is to ensure that employers are educated on the benefits of hiring youth who have barriers to employment.

**h. State policies and requirements.**

**i. Describe any state policies and requirements that have been established to direct and support the development of a statewide workforce investment system not described elsewhere in this Plan.**

The KWIB will ensure that local WIBs must have a process for the selection of local providers. At a minimum, local WIBs will have the ability to connect to the state technology system to share information, meet assurances, and document performance and customer satisfaction. Every effort should be made to expand the network to encompass all available one-stop service providers in order to ensure true, informed customer choice.

- **State guidelines for the selection of one-stop providers by local Boards.**

The state's process to work with LWIBs and chief local elected officials will be to recommend measures and guidelines which local boards are encouraged to broaden and supplement to meet community needs. It is recognized that a phase-in period may be required that will be determined by the LWIBs. Criteria for certification shall include, but not be limited to

:

- ability to connect to the state's technology platform;
- ability to establish a resource center for self service;
- ability to provide a staff development plan that addresses technology, customer service, assistive technology and disability awareness components;
- ability to demonstrate sound fiscal procedures, integrity, and accountability;
- assurances (see above); and
- past performance and demonstrated effectiveness, if applicable.

- **The state's process to work with local boards and local Chief Elected Officials to certify existing one-stop operators.**

Measures and guidelines will be recommended for local boards to certify one-stop operators. Local WIBs and chief local elected officials are encouraged to add other measures. The state will be willing to assist in the certification process. The local

WIB can establish a phase-in process for establishing one-stop operators for a designated period of time.

The minimum requirement for certification of existing one-stop operators is the ability to establish at least one full-service, comprehensive center within the workforce investment area. At each of these centers, the goal will be co-location and coordinated service delivery for all partners. However, given that limitations exist, the minimum expectation is that all of the required services will be connected through a central network and fully accessible at all times in the comprehensive center.

- **Procedures to resolve impasse situations at the local level in developing MOUs to ensure full participation of all required partners in the one-stop.**

~~OTR~~ DTR, as a part of its technical assistance and training responsibilities, will act as an arbitrator in cases of impasse at the local level in the development of MOUs. The Act and its regulations will be the basis for arbitration.

- **Criteria by which the state will determine if local WIBs can run programs in-house.**

Local WIBs are prohibited from providing training services unless a waiver is issued by the Governor. A waiver may be issued when the following criteria are met: satisfactory evidence that there is an insufficient number of eligible providers of such a program of training services to meet local demand in the local area; information demonstrating that the board meets the requirements for an eligible provider of training services under Section 122 (eligible provider criteria); and information demonstrating that the program of training services prepares participants for an occupation that is in demand in the local area. The proposed request must be made available to eligible providers of training services and other interested members of the public for a comment period of not less than 30 days; includes in the final request for the waiver the evidence and information described above, i.e., satisfactory evidence that there is an insufficient number of eligible providers, demonstration that the board meets the requirements for an eligible provider, and information demonstrating that the program prepares participants for demand occupations in the local area; and it provides copies of all comments received as a result of the public comment process.

- **Performance information that on-the-job training (OJT) and customized training providers must provide.**

All providers of OJT and customized training must provide performance information, including completion and retention rates. In the case of registered apprenticeship programs, performance criteria will be provided in the registered apprenticeship standards in accordance with KRS Chapter 343. The LWIB will hold OJT customized training providers to higher standards than are specified for training providers in general. One measure should reflect the percentage of program completers who obtain unsubsidized employment in the industry for

which training was delivered. For providers of OJT, performance measures should include: retention in unsubsidized employment for six months; increased wages resulting from increased skills obtained through OJT; or employer assisted benefits.

- **Reallocation policies.**

The Governor may, in accordance with Title I Section 128(c) and 133(c), deobligate youth and adult employment and training funds from local areas that fail to obligate 80 percent of a program year's allocation. These funds will be reallocated to eligible local areas based on the formula specified in the Act. The state has developed ~~voluntary~~ deobligation ~~policy~~ policies that allows local workforce investment areas to transfer funds to other areas wishing to accept the funds (**Appendix F**).

- **State policies for approving transfer authority (not to exceed 20 percent) between the Adult and Dislocated Worker funding streams at the local level.**

## **TRANSFER OF FUNDS**

Funds Authorized for Transfer. Only funds allocated to local areas are authorized for transfer between the adult and dislocated worker funding streams. All transfer of funds must be described in the local WIA plan and approved by the ~~OTR~~ DTR prior to becoming effective.

Identity of Funds. Once the funds are transferred, there is no separate identification; they become part of the total funds available in the receiving funding stream. The transferred funds are subject to the rules of the receiving funding stream, including cost limitations and eligibility requirements.

Not more than 20 percent of the funds allocated to the local area under Section 133(2)(A) or (3), and 20 percent of the funds allocated to the local area under Section 133(2)(B) for a fiscal year, may be transferred between adult employment and training activities and dislocated worker employment and training activities.

Local areas shall submit a request to the ~~OTR~~ DTR to transfer funds between funding streams. All transfers must be completed *before* the end of the affected program year. Exceptions to this policy shall be approved by the ~~OTR~~ DTR on a case-by-case basis only when an acceptable explanation is provided.

Reporting. Expenditures associated with transferred funds are not tracked or accounted for separately; they are reported as part of total available funds in the receiving funding stream.

- **Policies related to veterans' or other groups' priority for services.**

One-stops housing Wagner-Peyser staff will provide veterans with priority employment and training services in accordance with federal law, U. S. Code Title 38, Chapters 41 and 42, and 20 CFR 1001.120(a)(b). The full array of core

services will be made available to veterans in the following order of priority: veterans with disabilities, Vietnam-era veterans, veterans, and eligible persons.

- **Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, disabled individuals and others with multiple barriers to employment and training.**

The local workforce investment areas may provide services to displaced homemakers as “additional dislocated workers.” The goal for training low-income individuals for non-traditional employment is to provide statewide coordination approaches, including model programs, to train, place, and retain low-income persons in non-traditional employment. The services that may be solicited to achieve this goal are: 1) coordination of the recruitment of low-income individuals into occupations through a network of agencies and programs; 2) the provision of the following: non-threatening experimental personal assessment through activities that develop critical thinking skills; 3) determination of the base of personal knowledge related to the numbers of occupations and opportunities in a changing economy; 4) expansion of personal knowledge of the cast number of occupation that are non-traditional for low-income individuals; and 5) discussion of the barriers that have kept low-income individuals in limited occupations with low pay. Training activities for older individuals will be designed to improve participation in the workforce and lead to higher earnings for participants who successfully complete them.

In the event that the funds allocated to local areas for adult employment and training activities are limited, priority shall be given to recipients of public assistance and other low-income individuals for intensive services and training services. Persons with disabilities will be afforded opportunities for training activities designed to improve participation in the workforce and lead to higher earnings for participants who successfully complete them. Individuals with multiple barriers to employment and training such as basic skills deficiency, school drop outs, recipients of cash welfare payment, offenders, individuals with disabilities, and/or homelessness will be afforded opportunities for participation in training activities designed to improve participation in the workforce and lead to higher earnings for individuals who successfully complete them. Training activities for persons in these groups will be provided in the context of the state’s vision to provide universal access for all customers.

- **Policies limiting ITAs (e.g. dollar amount or duration).**

Through the local plan approval process, ~~OTR~~ DTR will assist LWIBs in setting policies limiting the amount/duration of ITAs based on the availability of funds and projected needs of the target populations.

**ii. Describe how consultation with local boards and local chief elected officials occurred.**

The state involved the LWIB and chief elected local officials from the beginning of the development of these policies. Boards, board staff, and elected officials were invited to participate in the development, review, and change of policies. In the case of policies developed prior to the appointment of local boards, the state, immediately upon such appointment, sent the policy to the boards for their review and comment. Comments were then considered before the policy was finalized.

**iii. Are there any state policies or requirements that would act as an obstacle to developing a successful statewide workforce investment system?**

Some of the identified barriers to a successful statewide workforce investment system in Kentucky include the following:

Based upon many of the lessons learned from the federal one-stop initiative, facilities management is one of the most significant barriers. Lengthy, bureaucratic, confusing, and state-controlled facilities management protocol has a direct effect upon the selection of potential sites for one-stop centers. Additional obstacles include prescriptive requirements for office design, which do not allow for local input, and the length of time to complete the required bid process.

Recent state legislative changes now require certain agreements to be reviewed by the Legislative Research Commission. This adds to a process that already contains extensive signatory and oversight requirements.

Information technology issues have often constrained the implementation of new law. In recent years, however, Kentucky has addressed such concerns through the development of a framework, *The Strategic Information Technology Plan*, and a set of strategies for the utilization and management of information technology. The plan is part of an overall effort in conjunction with the EMPOWER Kentucky project to enhance the use and management of information technology resources.

The Commonwealth has also adopted information technology architecture and standards with an enterprise perspective. These are necessary to ensure the compatibility of the current information technology projects with future initiatives. The architecture and standards provide a blueprint for the development of information technology applications and a framework for the development of new applications. The architecture includes models for data and applications along with the technical environment for hardware, software, and networks. A Commonwealth Information Technology Enterprise Architecture and Standards Committee has been created for the purpose of defining the architectural direction, maintaining the standards, and recommending revisions or new standards.

Prior to such architecture and standards being developed, agencies have been burdened with an inability to communicate among existing state mainframe systems, incompatibility of software, no framework for the development of new applications,

and delays in the implementation of new information technology initiatives because of such an environment.

Incompatible personnel management systems exist. With the envisioned blending of different agency staffs in one-stop centers, the need for functional and formal management processes will arise. The ability of operators to oversee partner staff from multiple organizations is critical. Further, timesheet coding contradicts the universal service provision. There are inconsistencies in various organization's approaches to flex and compensatory time. In addition, traditional state government operating hours are inflexible and often do not reflect the customer's needs.

The need to share customer information across program boundaries is also an important component for the new one-stop delivery system. While much progress has been made in designing inter-agency agreements, barriers continue to exist with regard to data sharing and data matching. In addition, efforts need to be focused on resolving information-sharing issues associated with non-state agencies and private, for-profit entities.

Eligibility issues and programmatic restrictions will have a significant impact upon the delivery and funding of universal services. For instance, certain programs can only provide services to a narrow constituency (e.g., veterans).

In some instances, local level state employees have limited policy-making abilities. This could have a delaying or debilitating effect on local design and planning accomplishments.

## **2. Services: Describe the current status of one-stop implementation in the state, including:**

### **a. Actions taken to develop a one-stop integrated service delivery system statewide**

More than four years of effort have gone into Kentucky's transition to the existing One-Stop Career Center Systems. Many of the strategies used in this process, coupled with the best practices/lessons learned, will be invaluable in evolving Kentucky's current one-stop systems toward the Act. Requiring local design and flexibility; local one-stop composition of 51 percent business, industry, and labor; local community planning; the concept of a one-stop operator; and redesigned boundary areas that delivered new partners to the table were components of Kentucky's plan.

The design of the One-Stop Career Center System was built upon four major themes: customer-driven, quality, local flexibility, and systemic change. A *customer-driven* system was designed with the input derived from focus groups of business and industry, education and training providers, and human resource and public agencies. *Quality* was defined as the need to exceed customer expectations at each center and throughout the system. Maximum *local flexibility* for stakeholders to develop their design and implementation strategies within the context of the communities was essential in a state with widely varying regional characteristics and needs. *Systemic change* has meant developing a network of centers in order to construct a successful workforce development system. A more highly skilled workforce, a commitment to lifelong learning, and the ability of

workers and employers to more readily obtain information and marshal the resources required to make employment-related choices, essential to a prosperous economic future, were encouraged throughout the system.

Those themes have been implemented through four guiding principles: *universality*, *customer choice*, *integration*, and *performance measurement*. *Universality* recognized the importance of serving both individuals and employers. Delivery through the local labor market model brought services into a comprehensive, full-service center based in the local region. *Universality* further suggests availability through convenient physical locations, 24-hour access to information, and the active participation of agencies and organizations that assist frequently under-served groups. Increased access was accomplished by co-locating the Department for the Blind and the Department of Vocational Rehabilitation, making information available in multiple formats in many community locations and extending hours of operation to the evening and weekend. *Universality* also has meant making facilities user-friendly for all groups by ensuring the availability of technology, equipment, and trained staff and encouraging the provision of fully accessible computers in comprehensive centers.

*Customer choice* became reality when options enabled individuals to make informed career decisions through the use of common intake procedures, shared information among one-stop center partners, and easy access to labor market information. Customer choice has been realized through creative community access points, full county or labor market area coverage, and emerging technologies combined with full-service centers to provide options to access services.

*Integration* remains the single greatest barriers to implement the vision. Barriers such as a lack of federal guidance on information sharing, cost allocation, and confidentiality make it difficult for agencies to coordinate their efforts despite training programs, capacity-building activities, and other state efforts directed towards removing them. Kentucky may adjust its federal cost allocation plan to accommodate the universal service provision.

System-wide, multi-agency performance standards were developed via the One-Stop Career Center System initiative. Currently, no technology platform exists that allows the capture of this information. In light of the new requirements of the Act, all efforts are being directed towards this more comprehensive system of accountability.

Kentucky's design of its one-stop centers encouraged a three-tier level of service availability. For the full-service comprehensive centers, program information and eligibility determination for the six federally mandated core services as well as the three additional core partners (vocational rehabilitation, Carl Perkins-funded activities, and adult education) are required. The next level of service delivery is a satellite site, where all services are not available, but some core partners and personalized assistance is present. Finally, the concept of an information site evolved in order to extend information points and provide statewide access. These range from personal computers linked to the network to brochures and literature found at resource locations. The following basic services are available in one-stop centers:

- labor market information and career options;



- education and training program information;
- program eligibility and financial aid options;
- basic assessment of customer skills and interests;
- career development planning;
- case management services;
- identification of job openings/labor exchange;
- job search assistance;
- unemployment insurance enrollment;
- customized services to selected groups such as veterans, persons with disabilities, and older workers;
- connection to worker profiling;
- connection to school-to-work transitions; and
- referral to registered apprenticeship programs.

Services to employers include information about the labor market, education and training providers, and government-funded training incentives; recruitment assistance; and rapid response to downsizing.

The information technology infrastructure and environment also presents an opportunistic framework for future one-stop implementation. The Kentucky Information Highway (KIH), a public/private partnership, is a statewide integrated network system. The KIH provides a high capacity wide area network for voice, data, and video communications. This major state initiative puts Kentucky in the forefront in developing its telecommunications infrastructure and breaking the barriers traditionally imposed by geography, demographics, or economics.

The vision of one-stop centers has been implemented and extended through a variety of activities. At the state level, the federally mandated partnership was expanded to include agencies providing vocational rehabilitation services, adult education and literacy programs, and Carl Perkins-funded activities. Core programs and services to be offered by the one-stop system were established at the state level, but local areas had the flexibility to decide the number and location of the centers. When implementation efforts and connectivity are completed, there would be more than 40 comprehensive centers and 200 satellite/information points statewide. Active local involvement by entities beyond those formally required signifies the importance of one-stop centers. These entities include community centers, county courthouses, family resource centers, Job Corps, KCTCS institutions, libraries, social insurance, Urban Leagues, union or union halls, and youth service centers. The successful placement of resources throughout local communities, some where services have previously been unavailable, will allow these 'gateways' to link customers with the full resources of the one-stop system.

**b. The degree of existing collaboration for WIA Title I, Wagner-Peyser Act, and other required and optional partners.**

Local flexibility permits differing levels of collaboration from one community to the next. Unique partnerships, contrasting levels of involvement, and variable labor market or community resources affect the type of collaboration at the local level. To preserve local flexibility, only broad guidance is provided from the state level on the selection of core partner representation. In existing local one-stop systems, there is a basic level of stakeholder collaboration that often mirrors the level of service availability in the actual center. In some geographical areas, DES personnel are strong local leaders who provide all Wagner-Peyser, unemployment insurance, migrant and seasonal, Native American, and veterans' services on a full-time basis in comprehensive centers and satellite sites throughout the state.

Beyond the consistent presence of these agencies (vocational rehabilitation, blind, and employment services), the level and degree of collaboration varies greatly. In many areas, current providers of services to adult, youth, and dislocated workers are committed partners; in other areas, they are only nominally involved in the existing structure. Even though adult education providers will be required partners, the current level of collaboration varies with the most notable participation in the form of full-service learning labs and integral involvement in the local planning process. Postsecondary education institutions have been involved to a lesser extent across the state, but two community colleges have played key leadership roles in the evolution of the local one-stop vision and implementation. Organizations implementing the Older Americans Act, despite their service to large geographical areas, are active participants in their local council and planning activities, as well as assisting with the staffing of one-stop centers.

Wagner-Peyser funds for the operation of employment service programs in Kentucky are directed through DES. These funds are used to provide free access to various labor market programs to the citizens of the Commonwealth. DES operates 28 full-service field offices throughout the state, offering both labor exchange and employability development as standard services to job seekers. DES also administers the Unemployment Insurance (UI) program.

Current mandates for DES are services to veterans and UI claimants. In addition, DES will ensure equity of access for all customers including individuals with disabilities, older workers, minorities, economically disadvantaged persons, youth, welfare recipients, dislocated workers, and other groups with special needs.

Through the One-Stop Career Center System operating in each area, DES will provide the following standard services to:

*Job seekers* – intake, referral and placement, job development, job information service, electronic labor exchange, assistive technology, employment counseling, vocational assessment, employability development, referral to supportive services and training, and job search workshops. Presently, DES provides these services in existing One-Stop Career Centers throughout the state and through its network for local office and out-stationed personnel. These services are also delivered on site to assist job seekers at the physical location of businesses. Job seekers are also served through America's Job Bank. Applicants may access DES job order information through the Internet as well as post their resume for employers to view.

*Services to employers* – job order taking, selection and referral, recruitment, labor market information, and affirmative action. Employers who request DES services on-site are provided with staff assistance to take applications and screen for qualifications. Employers are also provided with information on America's Job Bank in order to view applicant resumes and compare their job information with others to ensure that their positions are competitive.

*Services to Unemployment Insurance Claimants* – UI work test, worker profiling, and reemployment services. Through the one-stop system and its network of local offices, DES provides the basic services to claimants listed above. Off site, DES provides mass claims taking at the workplace if requested by the employer. In addition DES offers the option of claimants using a voice response unit to claim weeks of unemployment, report wages, and notify the department of their return to work. The Commonwealth is currently developing Kentucky's Electronic Workplace for the Employment Service (KEWES), a fully automated UI system.

*Special Programs* – unemployment tax credit program, trade adjustment assistance, North America free trade assistance program, work opportunity tax credit, welfare-to-work tax credit programs, and agricultural services.

DES is committed to providing employment and training services to veterans in accordance with Title 38, chapters 41 and 42, U. S. Code, and pursuant to regulations with priority to be given to disabled veterans and veterans of the Vietnam era. Levels of service are targeted to meet or exceed the performance standards established by the Assistant Secretary for Veterans' Employment and Training (ASVET). Currently, these consist of 14 performance standards in five basic categories: placement/obtained employment, placement in jobs listed by federal contractors, counseling, placement in training, and provided some service.

Local Veterans' Employment Representatives (LVERs) will continue to be assigned in full-functioning local DES offices according to the criteria and provisions of Veterans' Regulations (20 CFR, Chapter IX, Subpart C, Paragraph 1001.123).

DES will continue to provide support services for veterans as required under the Disabled Veterans' Outreach Program (DVOP) as prescribed in Veterans, Regulations (20 CFR, Chapter IX, Subpart E, Paragraphs 1001.140, 1001.141 and 1001.142).

Services to veterans will be monitored on a continuing basis, and DES central office staff will provide on-going technical assistance to field office staff. DES staff will continue to work closely with the State Director of Veterans' Employment and Training Services to quickly identify and correct problems that may arise.

Any one-stop center housing Wagner-Peyser staff will provide veterans with priority employment and training services in accordance with federal law, U. S. Code Title 38, Chapters 41 and 42, and 20 CFR 1001.120(a)(b). DVOP/LVER positions shall be state employees and shall not supplant Wagner-Peyser staff in providing priority employment and training services. The full array of core services will be made available to veterans in

the following order of priority: veterans with disabilities, Vietnam-era veterans, veterans, and other eligibles.

### **3. System Infrastructure**

#### **a. Local Workforce Investment Areas**

##### **i. Identify the state's designated local workforce investment areas, including those that were automatically designated and those receiving temporary designation.**

The Workforce Investment Act of 1998 is the first wholesale reform of the nation's job training system in over 15 years. Its enactment provides unprecedented opportunity for major reforms that will result in a reinvigorated, integrated workforce investment system. To ensure a seamless and universal system that is performance based and customer-focused, the Governor, in conjunction with the Kentucky Workforce Investment Board (KWIB), has designated 11 local workforce investment areas that define zones for service delivery, rather than boundaries that confine available services. The areas were configured in 1982 as service delivery areas to oversee Job Training Partnership activity in Kentucky. The boundaries were drawn based on common geographic and economic factors. While full designation is being conferred to all 11 areas, eight of the local workforce investment areas meet the criteria for temporary designation in accordance with Sec.116 (a)(3)(A); two local workforce investment areas with a population of less than 200,000 successfully completed the consultation and consideration requirements of Sec.116 (a)(1)(ii) and thus were eligible for designation; and one local workforce investment area, being a rural concentrated employment program, qualified for automatic designation as specified in Sec.116(a)(2)(B) of the Act.

Uncertainty and vulnerability come with systemic change. Therefore, minimizing the disruption of the current system's geographic service areas enables local workforce investment areas to focus attention on the real opportunities for change such as policy development, desired outcomes, and service delivery. Prior to and through the state plan development process, numerous local officials, including county judge-executives, mayors, etc., requested that the current service delivery areas remain intact. This perspective is critical since local involvement and ownership are the foundation upon which the Act is built. It further underscores the strong local desire for an enhanced role in collaboration and implementation.

##### **ii. Describe the state board's role, including all recommendations made on local designation requests.**

The KWIB, pursuant to Section 116(a)(4), reviewed requests for designation as workforce investment areas from the 11 current service delivery areas. The board acknowledged the automatic designation of one rural concentrated employment program as a workforce investment area. After discussions with appropriate local elected officials and completion of the public comment process, the state board recommended to the Governor the remaining 10 service delivery areas also be designated as workforce investment areas.

**iii. Describe the appeals process used by the state to hear appeals of local area designation.**

A unit of general local government or grant recipient that requests, but is not granted designation as a local area under paragraph (2) or (3) of Section 116(a) may appeal to the KWIB.

The board may prescribe forms and applicable time frames. Appeals shall be conducted pursuant to the administrative hearing requirements in Chapter 13B of the Kentucky Revised Statutes.

A unit of general local government or grant recipient that is dissatisfied with the decision of the KWIB may request a review by the U.S. DOL Secretary pursuant to Section 116, paragraph (a) of the Act.

**b. Regional Planning**

**i. Describe intrastate and interstate regions and corresponding performance measures.**

The designation of local workforce investment areas is intended to provide parameters for the establishment of one-stop centers. These areas are not intended to prescribe the location for participants to access services. Additionally, coordination of performance measures across workforce investment areas is essential to assure that education and training providers will not be subject to differing standards. Through its review of local plans, the KWIB will assure compatibility of performance measures across local workforce investment areas.

Kentucky shares several metropolitan statistical areas with its seven border states. These communities create the potential for identifying interstate regions for which performance measures could be established. At the present time, none of Kentucky's border states is planning to implement the Act by July 1999. Therefore, the establishment of interstate performance measures will need to be deferred until the border states are prepared to address this issue.

**ii. Purpose of such designations and activities to help improve performance.**

Given the current the Act implementation status in the border states, specific activities to improve performance cannot be identified without the participation of those states. However, some local entities have begun preliminary discussions with their cross-state counterparts.

**iii. For interstate regions, describe the roles of the respective Governors, SWIBs and LWIBs**

Even though formal interstate regions have not yet been established, it is anticipated that the roles of Governors, state boards, and local boards will parallel the roles identified in this plan.

**c. Selection of Service Providers for Individual Training Accounts.**

**i. Identify policies and procedures established for determining the initial eligibility of local level training providers, how performance information will be used to determine continued eligibility (including a grievance procedure for providers denied eligibility), and the agency responsible for carrying out these activities.**

The procedure for selecting eligible providers is initiated through an application to the local WIB. All applications must include general provisions and assurances. The board must take action to approve or deny each application, and notify all applicants. When the LWIB denies an application, the notification to the applicant must include the reasons for denial.

The following categories of providers are initially eligible upon submission of an application to the LWIB:

- Institutions that receive Title IV funds (federal student financial aid) and provide a program that leads to a postsecondary diploma, associate degree, baccalaureate degree, or certificate; and
- Institutions carrying out registered apprenticeship programs as defined in KRS Chapter 343.

Other providers are identified as: 1) those that provides training through a program covered by the Act at the date of application for eligibility, or 2) those that do not provide training through a program covered by the Act at the date of application for eligibility. The following criteria apply to potential providers seeking initial eligibility provider status.

**All applications must include the following information:**

- demonstrated ability to provide training;
- faculty or instructional staff qualifications;
- course or service or curriculum description;
- credentials awarded;

- tuition and fee requirements;
- licensure by appropriate state agency, if applicable;
- accreditation by recognized agencies, if appropriate; and
- assurances and certifications required by federal law or the state.

**Applications will be evaluated according to the following criteria:**

- match between skills needed by employers and the education or training provided by the applicant;
- ability to provide educational and training programs needed in local areas;
- proven ability to provide the specified training, for example a community-based organization (CBO) or other agency;
- licensure pass rate, if appropriate;
- licensure by the appropriate state agency to operate, if applicable;
- accreditation by recognized agencies, if appropriate;
- performance and cost information, if applicable; and
- strong ties to economically disadvantaged community.

A provider that has previously participated in the workforce education and training system must provide performance and cost information as required by the program for which training was provided.

**Criteria for continuing eligibility for training providers**

When considering the continuing eligibility status of training providers, local boards must include consideration of the following:

- specific economic, geographic, and demographic factors from the local areas in which providers seeking eligibility are located; and
- the characteristics of the populations served by providers seeking eligibility, including the demonstrated difficulties in serving such populations, where applicable.

Satisfactory performance means meeting the locally negotiated performance levels.

**Information to be submitted by training provider in order to continue eligibility:**

The provider shall submit performance and cost information to be subsequently eligible to receive funds and remain an eligible provider. Program information includes program completion for individuals participating in the applicable program conducted by the provider; the percentage of all individuals participating in the applicable program who obtain unsubsidized employment; and the wages at placement in unsubsidized employment of all individuals participating in the applicable program.

The provider shall submit training services information for all participants who received assistance under training and employment activities to participate in the

applicable program including: the percentage of participants who have completed the applicable program and who are placed in unsubsidized employment; the retention rates in unsubsidized employment of participants who have completed the applicable program, six months after the first day of employment; the wages received by participants six months after the first day of the employment; and, where appropriate, the rates of licensure or certification, attainment of academic degrees or equivalents, or attainment of other measures of skills of the graduates of the applicable program; and information on program costs (such as tuition and fees) for participants in the applicable program.

#### **Procedures related to continued eligibility of training providers.**

A provider must submit an application to the local WIB. The LWIB must take action to continue or terminate eligibility of the applicant and provide notification of its decision. If eligibility of the training provider is terminated, the LWIB must include the reasons for denial in a denial notice forwarded by certified mail, return receipt requested.

#### **Grievance Procedures**

Local WIBs or the designated state agency may develop informal resolution procedures for disputes concerning eligible provider status.

Any provider of training services who alleges a violation of the Act, federal regulations, or the contract under which the provider is participating may appeal to the KWIB. The KWIB may prescribe forms and applicable timeframes. The appeal shall be conducted within 60 days. Appeals shall be conducted pursuant to the administrative hearing requirements in KRS Chapter 13B.

#### **ii. Describe how the state solicited recommendations from local board and training service providers and interested members of the public, including representatives of business and labor organizations in the development of these policies and procedures.**

Recommendations from LWIBs and training service providers were solicited through direct participation in the development of the state plan and through a series of public hearings as described in Section 1 of the plan.

#### **iii. How will the state maintain the provider list?**

The ~~Office of~~ Department for Training and ReEmployment will maintain the statewide provider list in a centralized database. The provider list will be readily accessible to all customers of the workforce investment system through the workforce development web page and through one-stop centers.

#### **iv. What performance information will be available at every one-stop center?**

Every one-stop center will contain the statewide education and training provider list, including data related to the core indicators of performance. This information will be



available via the Internet and the *Kentucky Resource Directory*. In addition to the essential information that will assist customers in making informed decisions (e.g. enrollment numbers, minority participation, etc.), the state will encourage providers to include other requisite performance information.

**v. Describe the state's current capacity to provide customers access to the statewide list of eligible training providers and their performance information.**

The state currently does not maintain a statewide list of eligible training providers and their performance information.

**vi. Describe the process for removing providers from the list.**

Failure to meet the annual performance measures will be justification to remove a service provider from the list. If removed from the list, a service provider must wait one year from the date of ineligibility to reapply. The service provider will be notified by termination letter and may appeal through the grievance procedure. The service provider will continue to be eligible during the appeal process. Under circumstances in which a participant is at risk of imminent danger, there should be procedures to allow for an expedited post-deprivation grievance appeal hearing.

The provider will be removed from the eligible provider list when the provider intentionally supplies inaccurate performance information. The KWIB shall remove the provider from eligibility for a period of not less than two years. Local WIBs may remove an eligible provider from the list for a period longer than two years in accordance with procedures adopted by the KWIB. The ~~Office of~~ Department for Training and ReEmployment will be responsible for removing ineligible providers from the provider list.

The local certifying entity shall be responsible for notifying customers regarding the ineligible status of the provider.

**d. What is state's current capacity to deliver high quality employment statistics information to customers – both job seekers and employers – of the one-stop system?**

Kentucky, through the Employment Statistics System, delivers employment statistics to customers such as employers and job seekers using both publications and the Internet. Publications that assist these users include the *Kentucky Occupational Outlook to 2005*, *Career Outlook and Job Opportunities*, *Kentucky Annual Labor Market Planning Information*, and Kentucky Occupational Wage Data. The Kentucky Occupational Information Coordinating Council publishes the following additional sources of employment statistics: *Postsecondary Educational Opportunities*, *Kentucky Career Guide*, *Licensed Occupations* and the *Kentucky Supply-Demand Report*.

**e. Describe how the work test and feedback requirements (under the Wagner-Peyser Act) for all UI claimants are met? How is information provided to UI agency regarding claimant registration, claimant job referrals, and the results of referrals?**

DES stresses the importance of placing individuals receiving UI benefits. All claimants who are unemployed or who are otherwise required by law to register for employment with the public employment service are offered the full array of services available to them. Utilizing cross training, staff can combine intake of claimants and provide employment-related services.

- f. Describe how the Wagner-Peyser Act staff participates in the conduct of the Eligibility Review Program reviews. Describe the follow-up that occurs to ensure that UI eligibility issues are resolved.**

Wagner-Peyser staff, who are cross-trained in UI programs, participate in conducting the eligibility review interviews of claimants who have received benefits for 10 initial weeks. This process is performed in the DES local offices and will be part of the one-stop centers with the implementation of the Act. Staff conducting the interviews ensures that adherence to both state and federal guidelines are enforced.

The follow-up process ensuring the resolution of all eligibility issues involves a fact-finding interview by an examiner and results in a decision being rendered based upon law and regulation. This decision is issued by the local DES office and is subject to appeal to two other administrative levels before entering the court system.

### **C. Assessment of Strengths and Improvement Opportunities**

- 1. In sum, how closely aligned is current system to vision? Assess your current systems ability to meet the customer and economic needs listing key strengths and weaknesses. Describe any opportunities or challenges to achieving your vision, including any economic development, legislative, or reorganization initiatives anticipated that could impact on the performance and effectiveness of your state's workforce investment system?**

As stated earlier, Kentucky will create a unified workforce investment framework incorporating the principles underlying the Commonwealth's 1997 Postsecondary Education Reform. The new workforce system will be *universal, seamless, customer-focused and performance based* and will respond to the needs of all Kentuckians. By addressing the Commonwealth's changing demographics and its educational/training, technological, and economic needs, the ultimate measure of success of the reformed workforce investment system will be a higher standard of living for all Kentuckians. In assessing the current system's ability to meet the vision, the following strengths have been identified.

Changes in the organizational structure of state government and in public education from pre-school through postsecondary education during the past 10 years position the Commonwealth to embark on new initiatives to improve the skills of the workforce. Creation of the Cabinet for Workforce Development in 1990 brought adult education, secondary vocational training, and employment programs, and programs serving persons with disabilities into one executive branch cabinet of state government.

Kentucky has also initiated a series of education reform efforts beginning with the *Kentucky Education Reform Act*, enacted in 1990. This act requires accountability by the public schools measured, in part, by the successful transition of secondary students to postsecondary education, employment, or the military. The *Kentucky Postsecondary Education Improvement Act of 1997* creates a vision of a seamless, integrated system of postsecondary education accessed through multiple traditional and non-traditional delivery systems. The act also established the Kentucky Community and Technical College System (KCTCS) by organizing postsecondary technical schools and community colleges under one governing board. This action places in one organization primary responsibility for providing education and training programs of two years or less and preparation of the workforce to meet the needs of new and existing industries.

The *Task Force on Adult Education* was created in 1998 to conduct a thorough examination of Kentucky's adult education system. Chaired by the Governor, its purpose is to develop recommendations and an implementation plan for raising the literacy level and educational attainment of Kentucky's adults who have not graduated from high school or who have poor literacy skills. The *Taskforce for Pre-School Education* originated from a recognition of the relationship between the development in a child's early years, the requisite critical efforts of early involvement/intervention, and his/her ultimate educational success.

Other systemic initiatives have created an environment of change in the Commonwealth. Technological advances that enable communication, access to information and services, and delivery of instruction are valuable resources to overcome longstanding limitations brought about by geographical and cultural barriers. Efforts to improve communication increase with EMPOWER Kentucky as the mechanism to provide access to state databases for partners internal and external to state government. Kentucky Educational Television serves as the public's statewide access to information and instruction. Instruction through distance education technology is provided by the Kentucky Telelinking Network (KTLN) and Commonwealth Virtual University (CVU). KTLN provides the infrastructure for the delivery of interactive television classrooms and video-conferencing capability. This fiber-optic network links all universities, community colleges, public schools, and libraries in the state. The CVU, created as part of the *Kentucky Postsecondary Education Improvement Act of 1997*, is a critical element in creating a postsecondary education system that is accessible, efficient, and responsive to the needs of Kentucky's citizens and economic stake holders. It will be a student-centered, technology-based system for coordinating the delivery of postsecondary education that meets the needs of citizens and employers across the Commonwealth. The CVU will upgrade workforce skills and target the needs of employers and employees in business, industry, and government.

Unified planning among the service providers of the CWD indicates that partners in the workforce investment system have already taken steps toward the goals envisioned by the Act. As an example, when fully implemented the Simplified Access initiative will allow customers a single point of access to training and employment services. An interagency agreement among the Cabinets for Families and Children, Health Services, and Workforce Development allows the sharing of information. Customers may sign a revocable release that permits relevant record sharing and use in order to access potential services, determine program eligibility, and permits subsequent career plan development by providers and case managers.

Other features of Simplified Access are common intake for customers, information sharing among programs, client tracking, and a shared resource directory.

Designation of Kentucky as one of the first 16 states to be awarded a one-stop implementation grant prepared the state for the concepts that support the Workforce Investment Act. Implementation of one-stop established a statewide technology infrastructure and, in each local area, fostered a local planning process among one-stop partners and their communities, introduced the concept of universal customer as embodied in assistive technology and disability awareness training, and established resource centers in each one-stop center. Local partner efforts began the move towards streamlining service delivery and reducing the duplication through comprehensive centers and cross training. The upgrade of staff capabilities and the concept of multiple, creative access points to services will also serve as a strong platform upon which WIA can build.

The Kentucky Long-Term Policy Research Center was created by the General Assembly in 1992 to bring a broader context to the decision-making process. The Center's mission is to illuminate the long-range implications of current policies, emerging issues, and trends influencing the Commonwealth's future. The Center has a responsibility to identify and study issues of long-term significance to the Commonwealth and to serve as a mechanism for coordinating resources and groups to focus on long-range planning.

Since 1931, Kentucky has served as a State Apprenticeship Council state. The Kentucky Labor Cabinet, Employment Standards, Apprenticeship and Training Division currently has some 300 registered apprenticeship programs with some 2,500 apprentices, with some 400 apprentices complete these programs. Annually, the division registers some 800 apprentices, while some 400 apprentices completing these programs. The expectation is that the number of programs and apprentices will grow due to the Act. The Cabinet is looking to expand programs in the areas of early childhood development worker, daycare provider and other non-traditional programs.

The Economic Development Partnership Act of 1992 enacted changes to Kentucky's approach to economic development. These policies are now developed and approved by a partnership chaired by the Governor and comprised of representatives from business, industry, economic development organizations, labor, natural resources, and tourism. The Secretary of the Cabinet for Economic Development now serves at the pleasure of this partnership, allowing programs and initiatives to transcend politics.

The Cabinet for Economic Development's Network initiative helps companies form alliances with other companies in order to become more competitive. The Kentucky Economic Expansion Program, a partnership between BellSouth, the Kentucky Cabinet for Economic Development, and the University of Kentucky, work with communities to ensure retention of their existing industries.

Since 1984, the Bluegrass State Skills Corporation (BSSC) assists individual companies and groups of companies through training consortia to facilitate customized industry specific training programs for Kentucky's existing, expanding, and new business and industries. To date, the BSSC has funded 21 training consortia resulting in thousands of Kentuckians trained in a more cost efficient manner. In 1998, Kentucky's General Assembly authorized the BSSC

to implement the Skills Training Investment Credit Act which allows existing industries to recoup up to 50 percent of their training expenses through tax credits.

Although significant progress has been made in addressing some issues, challenges remain. Workforce preparation is made more difficult by poverty, low workforce participation, and low educational achievement. That poverty is a major policy issue in Kentucky cannot be disputed. Historically, Kentucky's poverty rate has been substantially above that of the nation. The poverty rate in 97 out of Kentucky's 120 counties is higher than the U.S. average. A more troubling fact is that 25 percent of all Kentucky children and 28 percent of children under five are living in poverty according to the most recent census. Research indicates that children raised in poverty are at-risk for a variety of long-term developmental problems and are more likely to raise their own children in poverty. Kentucky's per capita income was \$20,599 - 81.4 percent of the national average which is \$25,298. (U.S. Department of Commerce, Bureau of Economic Analysis.)

Like many states, Kentucky must contend with a geography as diverse as its economies. Ranging from the realities of rural communities to the unique challenges of urban cities, this dichotomy requires that any solution have a flexible application. For instance, the highest poverty rates are concentrated in the eastern portion of the state where barriers such as mountains, lack of infrastructure, and recent economic upheavals are significant factors. However, while most people associate poverty in the Commonwealth with Eastern Kentucky, the greatest numbers of individuals living in poverty are in the urban areas of northern and central Kentucky.

Participation in the workforce is often interpreted in terms of published unemployment rates. While Kentucky currently enjoys low unemployment rates in the majority of its counties, the stark reality is that fewer than 57 percent of Kentucky's total working age population actively participates in the workforce as compared to the national average of 67 percent. This is even more disturbing when viewed in the context of the December, 1994 study by the Kentucky Legislative Research Commission that found the work behavior of individuals as the most significant factor in determining if a family lives in poverty.

In an economy that increasingly demands high levels of information and the ability to manipulate that information, those who are better educated and more literate will fare better than those who are less so. Unfortunately, Kentucky's working age population remains undereducated according to a number of measures. Kentucky ranks last in the nation with adults who have less than a high school diploma. Thirty-six percent of the adult population has less than a high school credential – either a high school diploma or GED certificate. Perhaps of greater significance, according to the 1997 Kentucky Adult Literacy Survey, 40 percent of the state's adult population has modest, minimal, or no functional literacy skills and, therefore, lacks the ability to fully participate in an increasingly technological workforce. In terms of higher education indicators, Kentucky trails the nation in many respects. For example, only 51 percent of the state's high school graduates enter a postsecondary institution compared to the national average of 65 percent. Additionally, 13 percent of Kentucky's population has a bachelors degree as compared to 20 percent of the nation. Kentucky is near the bottom in completion rates of those who enter postsecondary institutions (**Appendix G**).

Research indicates that the principal difference between economic opportunity and standard of living is the level of educational attainment. Without increased educational achievement, Kentucky citizens will miss the opportunity to improve their economic well being. Low educational attainment accounts for 57 percent of the difference in per capita income between Kentucky and all other states (**Appendix H and I**).

In addition to these long-standing systemic weaknesses, other issues inhibit the Commonwealth's ability to fulfill its vision.

- *Services to Customers.* Both state and federal guidelines dealing with confidentiality of information make coordination difficult. Multiple agreements are required for staff to access information needed for assessment, case management, and job placement. Funding streams and eligibility issues create unnecessary boundaries and inhibit staff efforts to provide universal and seamless service.

Fitting individuals with disabilities into Kentucky's economic/workforce development matrix is a must. Government has traditionally provided a subsidy for people with disabilities without integrating them into the workforce system. This overlooked or "hidden workforce," while presenting significant challenges, represents a valuable and virtually untapped human capital resource.

- *Economic and Community Development.* Though the geographic location of Kentucky in relation to the other states is an asset, the geographic diversity presents an economic development challenge. While the urban areas of Louisville, Lexington, and Northern Kentucky continue to flourish, some sections of eastern and western Kentucky have had more difficulty competing for business and industry prospects because of the lack of highly skilled workers, large industrial sites, or state-of-the-art infrastructure. Historically, Kentucky has relied on low technology industries such as mining and the garment sector. With the decline of these two industries, Kentucky must now shift to high technology and emerging industries as other states did years ago.

Despite community partnership programs to assess problems and provide the technical assistance resources to solve them, community development is not expanding consistent with economic development. Services and infrastructure such as housing, transportation and childcare have not kept pace with economic development activities.

- *Private Sector Perspective.*

Although a number of Kentucky businesses, labor organizations, and other similar organizations provide for the education and training of their workforce, system-wide efforts are inconsistent. Also, businesses often invest education and training funds in their managerial level personnel. The Kentucky Long-Term Policy Research Center reports that “employers make minimal commitments to front-line workers and to the development of basic skills.” Government programs have significant resources to invest in training programs and private sector funds also represent a significant training resource. A coordinated effort would leverage funds from both sources to create more training opportunities.

- *Technology.* Though funding for technology has been authorized in the biennial budget, the actual purchase is complicated by the array of technology available. The lack of support services for that technology further complicates purchases. In addition, the rapid advancement of technology complicates choices for government administrators and causes a reluctance to make technology-related decisions.
- *Demographics.* Kentucky is a rural state with an aging population and a slower growth rate expectation than the nation as a whole. Out-migration will need to be slowed or reversed if the available workforce is to meet business and industry needs.

In order to realize the critical goal of developing the full potential of the workforce, Kentucky must fashion a comprehensive strategy for workforce development, one that addresses the unique needs of the Commonwealth. Ultimately, the capacity of a state’s workforce and the quality of the human capital it brings to the arena of world trade will become the principal determinant of profitability and prosperity.

## **2. What are your state’s priorities in moving your current system toward your vision?**

Kentucky has identified six priorities to begin the process of moving the current system toward the vision of its workforce investment system. This list is presented in no particular order and could be expanded to reflect emerging issues and trends. The first is to serve the greatest number of people in the most effective manner. Currently, only a very small proportion of the eligible population is served. Strategies for increasing the number of people served by the workforce investment system include:

- marketing services to target populations and prospective customers;
- maximizing the potential for those who have not achieved their desired levels of workforce training/education or wages;
- ensuring access to workforce training services for all citizens;
- raising awareness of the need for workforce training;
- providing additional resources to achieve strategies;
- utilizing existing resources more efficiently;
- establishing more access points for services; and
- involving employers in discussing the optimum workforce training system.

Technology is a critical component to reach the goal of serving more of the population. This can be achieved through increased:

- connection among services;
- collection of data to measure performance;
- provision of equal opportunities for workforce training services for both rural and urban dwellers, as well as persons with disabilities;
- training for providers of services;
- assistance in using the self-service component of the one-stop center;
- access to services designed so persons at all levels of computer literacy can locate information;
- sharing of customer data among one-stop providers; and
- development of an accountability system that maximizes existing data collection resources.

Increasing participation in the labor force is the second priority. At the present time, only 57 percent of Kentucky's population participates in the workforce. Expanding childcare options, improving access to transportation, and increasing opportunities for higher wage jobs are critical issues to be addressed. Additional strategies to raise Kentucky's workforce participation rate include:

- heightening the awareness of the benefits of wage earning;
- communicating employers' expectations for appropriate skill levels and resulting higher wages;
- promoting the "Education Pays" campaign;
- improving the alignment of job creation efforts and educational achievement;
- expanding entrepreneurial training and opportunities which, in turn, will create jobs;
- developing incentives to cultivate a stronger work ethic; and
- encouraging, supporting, and participating in community leadership programs and activities.

Priority three is to develop and expand the concept of customer choice. It is vital that services be available beyond the traditional nine-to-five workday and in a variety of formats that are targeted to diverse skill levels. The workforce investment system should provide the following access options: both personal and automated services, multiple access points, and eligible providers that may be located outside the local workforce investment area. To provide customers with the information to make informed decisions when choosing workforce training, standardized consumer information and common definitions and data elements must be functional.

The fourth priority will address bureaucratic processes that impede progress toward the vision and goal of the workforce investment system. The multi-agency coordination necessary for a seamless workforce training delivery system requires that existing barriers be overcome. The cumbersome and prohibitive processes identified below need to be corrected:

- remove or amend statutes concerning personnel, confidentiality, facility usage and funding stream barriers;



- streamline the bureaucracy and bureaucratic procedures to improve service delivery;
- involve decision- and policymakers who have the authority to facilitate changes;
- reform labor market information collection and reporting;
- integrate relevant information from multiple sources;
- implement recommendations for government entities as identified by the KWIB and directed by the Governor and legislative members of the board.

A process to ensure that corrective action is taken begins with the KWIB and is communicated by the Governor and legislative members of the board for subsequent implementation by government entities.

The next priority is to increase education and job skill levels in the Commonwealth. Numerous statewide educational initiatives contain many components which, when fully implemented, will dramatically improve the quality of education in the state. While others may emerge, these critical initiatives should be addressed:

- raising adults' basic skills competencies;
- integrating adult basic education and literacy with job skills training;
- establishing the Commonwealth Virtual University;
- improving the ability of students to transfer credits among institutions;
- promoting the value of a technical education;
- establishing prominence in research and development at the University of Kentucky and University of Louisville;
- increasing economic development activities associated with research successes and attraction of the nation's best professors;
- capitalizing on the workforce development capability of community and technical colleges; and
- making primary and secondary education more relevant to the workplace through linkages with the private sector.

The final priority is the need to train and equip staff to serve one-stop customers. The system will be customer-focused and provide assistance through highly trained staff. Training on some topics will be made available on a regular, recurring basis while other training will be provided as needed. Training will be required in the following areas:

- technology - software, hardware, and system administration;
- methods to determine the level of self service needed by patrons;
- customer service;
- multi-program cross training;
- using performance information;
- working with and serving special populations, including disability awareness;
- team building;
- customizing services to meet local needs; and
- new staff orientation program.

#### **IV. STRATEGIES FOR IMPROVEMENT**

**A. Leadership. How will you overcome challenges to align your current system with your vision? How will the State implement WIA's key principles of local flexibility and a strong role for local Boards and for businesses?**

- 1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in Section 112 (b)(8)(A), at both the state and local level (e.g. joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and Agencies eliminate any existing State-level barriers to coordination?**

Kentucky will more effectively meet the needs of the workforce with a system that is universal, seamless, customer-focused, and performance based. Strategies to transform the current system will include outreach and marketing to customers, staff development, cross training, partnerships with public and private entities that serve target groups, specific outcome goals for customers served, and placement achievements. Success in these strategies will be measured by increasing participation, upgrading skills, and achieving customer outcomes. Participants will be encouraged to pursue their career goals through all levels of educational programs.

The Commonwealth is committed to the following: utilizing a statewide network of one-stop centers, state-of-the-art technology, flexibility in local design, system-wide performance measures, and information sharing.

Kentucky began its comprehensive planning process to reengineer its workforce system upon enactment of the Act. The Governor designated the Cabinet for Workforce Development as the lead agency to coordinate the statewide planning and implementation of the Act.

Re-engineering the workforce development system will be coordinated with the re-organization efforts already underway for social and health services. It will result in a seamless, unified approach to services for customers.

A policy group was established that contained representatives from the Governor's Office; Cabinets for Workforce Development, Families and Children, and Economic Development; Kentucky Labor Cabinet; Department for Local Government; Council on Postsecondary Education; and the Kentucky Community and Technical College System. This entity oversaw the activities of several targeted workgroups that included strategic planning, one-stop partners, financial, technology, accountability and youth services committees. These committees were comprised of diverse membership from government, both state and local, and the private sector.

The particular organizations that were involved in the planning process included: Department for Employment Services, Department of Vocational Rehabilitation, Department for the Blind, Department for Adult Education and Literacy, Department for Technical Education, ~~Office of~~ Department for Training and ReEmployment, Kentucky Community and Technical College System, Cabinet for Families and Children, Office of Aging Services, service delivery areas, Area Development Districts, Cabinet for Economic Development (Division of Research and Bluegrass State Skills Corporation), Kentucky's One-Stop, Kentucky Labor Cabinet, Department for Local Government, Governor's Office for Policy and Management, Kentucky

Commission on Community Service and Volunteerism, Council on Postsecondary Education, and the Simplified Access Team.

Broad, extensive and multi-level planning will be critical to not only the initial plan, but also to on-going modifications. The KWIB will ensure coordination through this planning process, involving LWIBs and chief local elected officials. The KWIB will ensure that programs are coordinated at the state level and will serve as an advisory body to local areas on the same issues.

Communication is critical. Sharing information will enhance local achievements and ensure the state's success with the Act. Technical assistance, regularly scheduled meetings, local quarterly reporting, as well as creative sources for communication such as video-conferencing and the Internet, will be adapted to keep the lines open.

A specific example of how the state is striving to improve coordination is the Simplified Access initiative which looks at specific business processes and clients common to the CWD, CFC and CHS and is proposing a process to ensure basic information is collected once for each individual and shared by other partners.

Recognition of the Act's underlying premise that the state has greater flexibility to achieve its provisions requires that organizational structures must be reorganized. At the state level, this reorganization will require legislative changes to relieve the burden of highly prescriptive statutory requirements. In conjunction, state and local entities should also be expected to demonstrate a shift in business practices to implement the cross-organizational collaboration envisioned in the Act.

- 2. Describe how the State will assist local areas in the evolution of existing local one-stop delivery systems. Include any statewide requirements for one-stop systems, how the State will help local areas identify areas need improvement, how technical assistance will be provided, and the availability of state funding for one-stop development. Be sure to address any system weaknesses identified earlier in the plan. Include any state level activities that will assist local areas in coordinating programs.**

More than four years of effort have gone into Kentucky's transition to the existing One-Stop Career Center systems. Liberal and intensive technical assistance by a multi-agency team was critical in the successful implementation of 22 unique and diverse systems. Many of the strategies used in this process, coupled with the best practices/lessons learned, will be invaluable in evolving Kentucky's current one-stop systems toward the Act.

Many aspects of the Act are similar to the one-stop initiative. The guiding principles of universality, customer choice, integration and performance measures are the foundations of both. The concept of a local system is greater than mere stand-alone centers. A monitoring process to review system-wide adherence to the approved local plan was established. Standardized and targeted training was offered statewide on new skills and system enhancement to expand staff capabilities.

There are inconsistencies in the two as well. The new language that expands the required partners provides the mandate that the current grant did not carry. New provisions include the

concepts of an operator that acts as a liaison between the LWIB and local providers, and individual training accounts. These concepts will require the most intensive assistance and education.

However, a concern exists that the current one-stop system must be abolished to make way for the new agenda. In fact, the Act discusses single comprehensive centers in terms of the minimum requirement for each area while encouraging multiple access points. If an existing One-Stop comprehensive center is not selected to continue in that capacity, it could remain a viable service point for customers.

State general funds are currently applied toward one-stop costs through state agency participation in the initiative. This includes administrative, equipment, operating, and personnel costs. Direct state fund appropriations will not be used to further develop the current one-stop system.

Technical assistance will be provided by the ~~Office of~~ Department for Training and ReEmployment (~~OTR~~) (DTR) using a team comprised of the required partners. This assistance will be on an as-needed basis. Special concerns that arise via the KWIB can be researched and explored through this body. The coordination of this activity should be orchestrated through ~~OTR~~ DTR for the Act.

Needs assessment is an important mechanism to determine the level and type of technical assistance. A statewide survey will be developed and administered to WIA partners. Upon evaluation, strategic intervention will be applied via technical assistance and capacity building opportunities.

Innovative and demonstration grants may be offered by the state to encourage peer modeling and identification of best practices. These ideas will be shared with local areas, which will be encouraged to work together.

A series of statewide forums may be conducted to educate partners, businesses and communities on the Act. The feedback from these forums will be used to structure on-going assistance and information. Tools such as web sites, newsletters and video-teleconferences could be employed to foster the one-stop system.

### **3. How will your State build the capacity of Local Boards and youth councils to develop and manage effective program.**

Capacity building will be provided by a variety of state partners to create an environment upon which to build and develop local efforts. Areas in which technical assistance will be offered include: training on performance standards; building a system based on feedback and continuous improvement; orientation to the requirements and responsibilities of LWIBS; the ability to identify local target populations and determine types of training needed; distinguishing which services and training are available in the local area; classifying jobs, and the skills necessary for those jobs; contract management; identifying and assisting special populations; determining services available from state agencies; and overall program management relative to performance measures and accountability.

**4. Describe how any waivers or workflex authority (both existing and planned) will assist the state in developing its workforce investment system.**

Kentucky applied for and received a number of waivers under the Job Training Partnership Act that will expire on June 30, 1999. Currently, Kentucky does not intend to request an extension of the existing waivers but is considering applying for workflex authority.

Workflex as it pertains to the workforce investment system enables a governor, at the request of a local partnership and with the approval of the U.S. Labor Secretary, to waive federal law governing programs contained in the Workforce Investment Act of 1998, as well as sections 8-10 of the Wagner-Peyser Act and certain provisions of the Senior Community Service Employment Program.

A Workforce Flexibility Plan may be submitted by a state to the U.S. DOL. If approved, the plan delegates authority to grant certain statutory and regulatory WIA or Wagner-Peyser waivers to a state. (Sect. 192 of WIA)

Some areas are not included in this authority, such as, the basic purposes of Title I; wage and labor standards; grievance procedures and judicial review; non-discrimination; eligibility of participants; allocation of funds to local areas; establishment and functions of local areas and local boards; review and approval of local plans; and worker rights, participation, and protection; any of the requirements relating to the provision of services to unemployment insurance claimants and veterans, and to universal access to basic labor exchange services without cost to job seekers; any requirements under the Older Americans Act of 1965 relating to the basic purposes of such Act, wage and labor standards, eligibility of participants in the activities and standards for agreements.

Workflex authority could supply the state with the necessary tools to allow maximum flexibility for local workforce investment areas in meeting the needs of customers. Since the characteristics and demographics across Kentucky are very diverse and contain both rural and urban populations, workflex could provide the means to serve individuals based on their specific needs and the barriers to be overcome within each local area. Kentucky may develop and submit a Workforce Flexibility Plan in order to accomplish these goals and may also seek waivers for the Wagner-Peyser Act.

**B. Services: How will you meet the needs of each of the major customer groups identified in Section III? How will the State implement WIA's key principles of streamlined services, empowered individuals, universal access and improved youth services.**

**1. Describe the types of employment and training activities that will be carried out with the adult and dislocated worker funds received by the State through the allotments under Section 132. How will the State maximize customer choice in the selection of training activities?**

Kentucky will maximize the utilization of funds that provide statewide employment and training activities through: increased outreach and marketing, staff cross training, partnerships with public and private entities serving target populations, and outcome goals for customers served and placed in the activities described below:

- The state, in coordination with local boards, shall conduct and periodically report on workforce investment activities in order to achieve increased levels of performance and customer satisfaction.
- The state will provide incentive grants to local areas for cooperation among boards and coordination of activities under this Act. Regional incentive grants may be awarded to regions that meet or exceed the performance measures. Technical assistance will be provided by the ~~Office of~~ Department for Training and ReEmployment to regions that fail to meet performance measures.
- Consistent with the requirements of this Act, Kentucky shall establish and operate a fiscal and management accountability information system. This system will be based on guidelines established by the U.S. DOL Secretary.
- Other allowable statewide employment and training activities authorized by this Act and determined to be necessary to carry out activities relating to the statewide workforce investment system may be conducted.
- Statewide rapid response activities will be conducted through the ~~Cabinet of Workforce Development~~ Department for Training and ReEmployment in coordination with the local areas.
- Local adult and dislocated worker funds will be used to provide all required services as described in Section 134 (d) including the provision of core, intensive, and training services. Local activities will emphasize customer choice by compiling comprehensive lists of eligible training providers and other employment and training activities.

**2. How will the services provided by each of the required and optional one-stop partners be coordinate and made available through the one-stop system.**

A primary strategy in any coordination is the planning process. Local WIBs will work closely with all partners in the area to ensure an integrated and coordinated approach with the goal to reduce duplication and fragmentation in the delivery of services. Local boards will have the responsibility to ensure that all required services (and optional/core partners) are available in at least one full-service center in the area.

**Critical areas to be focused upon in the planning process include:**

- Co-location - Ideally it is recognized that services should be available throughout the Commonwealth through a system of One-Stop Career Centers that feature co-location of partners. However, physical and demographic realities restrict the ability of agencies to staff multiple centers. In keeping with technological advances and to allow the greatest number of possible contact points, electronic connectivity will be a major component of the future of the one-stop system. Through EMPOWER Kentucky initiatives such as Employ Kentucky, the state will continue to explore ways that enable partners external to state government to access databases.
- Information Sharing – Connectivity and the ability to share common client information is vital to coordinated customer services. While the state will provide a common technology platform and develop confidentiality agreements, LWIBs should continue to discover ways to streamline the system.
- Referral and Assessment – The capability to electronically refer customers and share assessment data will be provided by the state’s technology system. Local flexibility and market demands will allow for different assessment methods that can then be shared among partners.
- Training and Placement Activities – Local WIBs are encouraged to seek out opportunities to coordinate and integrate these types of activities.
- Employer and Job Development – Coordination should occur to ensure that information is shared and employment efforts are maximized.

**3. Describe how the funds will be used to leverage other federal, State, local and private resources (e.g. shared one-stop administration costs). Specify how the State will use its 10 percent funds under Section 7(b) of the Wagner-Peyser Act. Describe and provide examples of how these coordinate and leveraged funds will lead to a more effective program that expands the involvement of businesses, employees and individuals.**

The most immediate leveraging of funds will occur through certain programmatic cost saving measures, thus making funds available that can be redirected to expand services for more effective programming. These measures may include:

- integration of services, particularly through co-location of service delivery reduces resources committed for facilities and facilities maintenance;
- cross training of staff allows for a broader knowledge base and permits “no wrong door” service delivery. Staff time can be more efficiently used for more effective service delivery;
- integration of services will create reduced administrative activity, permitting reallocation of resources for increased service delivery; and,
- elimination of unnecessary duplication of service delivery will ensure programmatic funds are used to their maximum.

These cost savings will allow for increased involvement of businesses, employers, and individuals by providing enhanced services to each of these customer groups.

In order to address leveraging beyond immediate cost savings, the KWIB will need to address the need for additional state funding for one-stop development. It is clear that the resources

from WIA, although important, will not in and of themselves provide enough to create the vision described earlier. The KWIB will review current funding streams within the state and make efforts to realign them so that the ultimate goal can be achieved.

In so doing, the KWIB will study the possibility of implementing cost recovery strategies. The board will create a framework within which local WIBs can develop additional resources for their one-stop system.

**4. Describe how the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and season farmworkers, public assistance recipients, women, minorities, individuals training for non-traditional employment, veterans and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking ability, and people with disabilities) will be met. How will the State ensure nondiscrimination and equal opportunity?**

Kentucky will continue to develop and refine strategies to identify and meet the needs of targeted populations in a workforce system that is universal, seamless, customer-focused and performance based. Activities and programs will be assessed for effectiveness and responsiveness and continuously improved to expand outreach and marketing to customers, increase staff development and cross training, and build partnerships with public and private entities that work with targeted groups. These strategies will support success in individual goals and state and local performance outcome goals and will ensure non-discrimination and equal opportunity.

- *Dislocated workers:* The CWD will exchange information and coordinate programs with economic development agencies at state and local levels to develop strategies that may avert plant closings or mass layoffs and accelerate the re-employment of affected individuals. Marketing and outreach efforts will increase awareness of available services to groups such as potential dislocated workers, employers, organized labor, state and local economic development agencies, chambers of commerce, and social services agencies. Worker profiling will increase responsiveness to re-employment needs of the dislocated worker in Kentucky. Early identification and timely referral will maximize effectiveness of the workforce investment system for dislocated workers.
- *Displaced homemakers:* As identified in the Carl D. Perkins Vocational and Applied Technological Act or in WIA, displaced homemakers may be served through access to quality vocational education programs that are high skill, high wage occupations. Employment and training needs will be provided through service providers eligible under WIA. Such institutions may provide skill training, guidance and career counseling, assessment, job placement assistance, and support services such as tuition and crisis counseling. Displaced homemakers will also receive counseling on career opportunities in nontraditional fields.
- *Low-income individuals:* Cabinet for Families and Children (CFC) serves as the chief administrative entity for welfare reform (TANF block grant and the Welfare-to-Work formula grant) and the Food Stamp Employment and Training Program. In every Kentucky county, local welfare reform planning has brought together a broad spectrum of both businesses as well as a broad spectrum of public and private agencies. These



planning efforts have been the basis for the development of local partnerships designed to best serve the needs of indigent individuals who are working to achieve self-sufficiency. Recognizing the value of the one-stop concept and services for meeting these goals, CFC became involved in the one-stop system during its implementation. CFC maintains involvement in one-stop activities in various areas of the state, basing the level of involvement upon local one-stop decisions regarding availability of staff and office space. It is critical to welfare reform that this type of local partnership be sustained to avoid duplication of effort in workforce development activities needed by low income individuals and to assure the seamless delivery of services necessary to achieve success in the workforce.

- *Individuals training for nontraditional employment:* Nontraditional employment is defined as employment in occupations for which individuals from one gender comprise less than 25 percent. To encourage the training and retaining of individuals in such employment, nontraditional training programs and related services to support entry into nontraditional employment will be provided as appropriate. The statewide eligible providers list will specify providers who offer nontraditional training services.
- *Other Individuals with Multiple Barriers to Employment:* Kentucky will enhance the employability and increase the earning potential of individuals with multiple barriers to employment. Strategies to address individual needs will include literacy and basic skills programs, occupational skill training, job analyses, job accommodations, disability awareness training and other activities that may address barriers and support achievement of positive employment outcomes. Individuals with multiple barriers to employment will be offered a continuum of education, job training, career counseling and development to enhance achievement and retention of employment. To enhance the employability skills of individuals with disabilities, local boards, one-stop operators, and providers will assure:
  - representation of individuals with disabilities on staff, where feasible;
  - cross training for staff;
  - disability awareness for staff;
  - outreach programs for individuals with disabilities;
  - specific staff, service goals and expectations;
  - technical assistance to employers including information regarding ADA requirements and available tax credits; and
  - outcome measures of goals and expectations.

**5. Describe the criteria developed by the State for local boards to use in determining that adult funds are limited and that priority of service applies. Describe the guideline, if any, the State has established for local boards regarding priority when adult funds have been determined to be limited.**

In the event that funds allocated to a local area for adult employment and training activities under paragraph (2)(a) or (3) of Section 133(b) are limited, priority for intensive services and training activities shall be given as follows:

- 1) recipients of public assistance who are members of the target populations specified in the Act;
- 2) all other recipients of public assistance;
- 3) other low-income individuals who are members of the target populations; and
- 4) all other low-income individuals.

**6. Describe how the needs of employers will be determined in the local areas as well as on a statewide basis. Describe how services (e.g. systems to determine general job requirements and list jobs), including Wagner-Peyser Act services, will be delivered to employers through the one-stop system. How will the system streamline administration of federal tax credit programs within the one-stop system to maximize employer participation?**

- employers and labor organizations will actively participate with the LWIB;
- employers and labor organizations will actively participate with the KWIB;
- business, industry, and labor organizations will actively participate with the KCTCS Board of Regents;
- local areas may conduct focus group meetings with area employers to solicit input;
- major market employers will be surveyed to determine current and projected training needs;
- an effort will be made to ensure that changes in the circumstances of local employers i.e., new technology, shifting market demands, etc. are addressed by the workforce training delivery system in an expedient manner;
- employers will be given access to all services of the one-stop system. This will include, but not be limited to, America's Job Bank and the development of a talent bank through Kentucky's Simplified Access initiative. Employers will continue to receive services authorized by the Wagner-Peyser Act. Mandatory partners bring with them expertise in operating federal tax credit programs. All one-stop partner staff will be cross-trained in these programs to ensure full exposure to the employer community.

**How will the system streamline administration of federal tax credit programs within the one-stop system to maximize employer participation?**

One-stop staff will be trained in the administration of the federal tax cut programs. Additional changes to streamline will require changes to the federal reporting requirements.

**7. Describe the reemployment service you will provide to Worker Profiling and Reemployment Services claimants in accordance with Section 3.c.(3) of the revised Wagner-Peyser Act.**

The worker profiling and reemployment services system will identify those UI recipients in a field office's administrative area who are most likely to exhaust their claims and who would benefit from re-employment services in order to obtain employment.

If selected from the pool of UI claimants to participate in the profiling program, individuals report to an orientation session during which the program and their responsibility for participation are explained. Those not exempt from further participation proceed to an in-depth assessment interview. During the assessment interview, the participant and one-stop staff determines which of the available services are most likely to assist the participant to obtain employment. The services included on the profiling program "menu" include:

- in-depth, individual employment counseling to assist those who need to make a vocational choice or overcome other kinds of barriers to employment;
- testing for assessment purposes, utilizing such instruments as the General Aptitude Test Battery (GATB), Interest Inventory, and the Test of Adult Basic Education (TABE);
- self-directed job search, whereby individuals are assigned to make a number of job contacts then report back to a counselor to discuss the results of those contacts and to discuss ways to improve job search techniques; and
- job search workshop training in a group setting which instructs claimants on proven methods for obtaining employment.

Participants who are assessed as needing education or training in order to obtain employment are exempt from further participation in the profiling program if they accept referral to an education or training provider. Other claimants who are assessed as job ready and for whom there are available job orders are immediately referred to employers for interviews and are also considered exempt from further participation in the profiling program. Thus, the profiling program attempts to serve only those who are most likely to benefit from the available reemployment services.

**8. Specifically describe the Wagner-Peyser Act-funded strategies you will use to serve persons with disabilities.**

Through the one-stop centers, Kentucky will promote and develop employment opportunities for persons with disabilities by providing job counseling and placement services. The agency will designate at least one person in each one-stop center whose duties will include providing services and assistance for individuals with disabilities. The agency will cooperate with the Governor's advisor for the Americans with Disabilities Act, the DVR and the DFB to provide needed services to persons with disabilities and will adhere to conditions established in 29 CFR, part 34.

**9. How will Wagner-Peyser Act funds be used to serve veterans? How will your State ensure that veterans receive priority in the one-stop system, for labor exchange services?**

Through the one-stop center, DES will provide employment and training services to veterans. Levels of service are targeted to meet or exceed the performance standards established by the Assistant Secretary for Veterans' Employment and Training. Currently, these consist of 14 performance standards in five basic categories (placement/obtained employment, placement in jobs listed by federal contractors, counseling, placement in training, and provided some service).

**10. What role will LVER/DVOPS staff have in the one-stop system? How will your state ensure adherence to the legislative requirements for veterans staff? How will services under this plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs?**

The role of the LVER/DVOP staff will remain the same in accordance with Title 38 and the Special Grant Provisions of the LVER/DVOP Grant Agreement with the United States Department Labor, Veterans Employment and Training Service. The Special Grant Provisions state in part that "As recipient of funds provided pursuant to Title 38, U.S.C., compliance shall be maintained with all applicable statutory provisions and regulations pursuant to Chapters 41 and 42. The grantee will ensure all of its service delivery points provide priority services to disabled veterans and veterans of the Vietnam-era in the provision of all labor exchange services and specifically, when making referrals to job openings and training opportunities, shall observe the following order of priority:

1. special disabled veterans;
2. Vietnam-era veterans;
3. disabled veterans other than special disabled veterans;
4. all other veterans and eligible persons; and
5. non-veterans.

DES will continue to comply with the guidelines and directives as stated in the Special Grant Provisions of the LVER/DVOP agreement and encourage all one-stop partners to abide by these provisions. The state will enter into and comply with a negotiated agreement.

**11. Describe how Wagner-Peyser Act funded services to the agricultural community - specifically outreach, assessment and other service to migrant and season farmworkers, and service to agricultural employers. How will you provide equitable services to this population in the one-stop system?**

Services to agricultural workers and employers will be provided through the one-stop centers. These services are currently supported by a full-time agricultural program coordinator and the state monitor advocate.

Kentucky will continue to use local and statewide networks to identify farmers who employ migrant and seasonal labor. Included in these networks will be agricultural employers,

growers associations, the Department of Agriculture, USDA Farm Service Agencies, Farm Bureau, and the Agricultural Extension Service to identify farmers who employ migrant and seasonal labor.

One-stop centers will link with agricultural employers and groups representing Migrant and Seasonal Farm Workers (MSFWs) for the provision of all services. One-stop staff who is trained in MSFW programs will be available either directly or through referral at all one-stop locations. Should demand or organizational considerations require, central office MSFW program staff will be available to train additional one-stop personnel in all labor market areas.

Public merit system staff must deliver activities and services funded by the Wagner-Peyser Act.

**12. Describe how Wagner-Peyser Act funds will provide statewide capacity for a three-tiered labor exchange service strategy that includes (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service. Describe your State's strategies to ensure that Wagner-Peyser Act-funded services will be delivered by public merit staff.**

Staff will provide labor exchange activities through the one-stop center located in the local areas. These activities will be available at three levels: self-service, facilitated self-help, and staff-assisted service.

At the self-service level, customers at each one-stop center may access America's Job Bank on the Internet or Automated Labor Exchange system (ALEX). America's Job Bank can be accessed from any Internet connection.

Facilitated self-help will include assistance from staff in the operation of the hardware/software necessary to access these sources. Guidance will also be available in areas such as resume preparation and interviewing skills.

At the staff-assisted level, one-stop employees will provide job order search and referral, job development, job information service, and employment counseling. Employment counseling includes: vocation assessment, employability development plan, referral to supportive services, referral to training, and job search workshops.

Public merit system staff must deliver activities and services funded by the Wagner-Peyser Act.

**13. Describe how your State will provide rapid response activities with funds reserved under Section 133(s)(2), including how the State will use information provided through the WARN Act to determine when to provide such activities.**

**a. Identify the entity responsible to provide rapid response services.**

The ~~Office of~~ Department for Training and ReEmployment will establish a unit to carry out statewide rapid response activities.

**b. How will your State's rapid response unit's activities involve the local Boards and local. Chief Elected Officials? If rapid response functions are shared between your**

**State unit and local areas, identify the functions of each and describe how rapid response funds are allocated to local areas.**

The State Rapid Response Unit (SRRU) is responsible for directly providing or ensuring that rapid response is provided by the local workforce delivery system. The SRRU, in conjunction with local WIBs and local elected officials, will provide rapid response activities to dislocated workers experiencing worker dislocations such as disasters, mass layoffs or plant closings, or other events precipitating substantial increases in unemployed individuals.

- c. Describe the assistance available to employers and dislocated workers, particularly how your State determines what assistance is required based on the type of lay-off, and the early intervention strategies to ensure that dislocated workers who need intensive or training services (including those individuals with multiple barriers to employee and training) are identified as early as possible.**

The SRRU activities will be carried out in accordance with the pending U.S. DOL guidelines and in coordination with LWIBs and LCEOs.

**14. Describe your State's strategy for providing comprehensive services to eligible youth...**

The local boards shall identify and contract, on a competitive basis, with eligible providers of youth activities based on recommendations of the local youth councils. There will also be non-financial cooperative agreements with providers of foster care, education, welfare, and other relevant resources.

Local boards shall make information regarding activities, including youth activities, available to the public on a regular basis.

Local youth councils will develop comprehensive services for youth, including a strategy to eliminate duplication of services and to target appropriate funding sources for these services. The delivery of the comprehensive youth services must be a coordinated effort with such agencies as local schools, family resource and youth service centers, foster care, juvenile justice, law enforcement, visually and hearing impaired, and other, relevant local/state resources. Priority will be given to youth who have documented barriers (i.e., individuals with disabilities, pregnant or parenting youth) and are in need of additional assistance to complete their education and obtain employment.

Local youth councils must also develop other linkages/coordinated efforts with Job Corps, youth opportunity grants, and other youth programs. The delivery of comprehensive youth services must be a coordinated effort of all local youth council members in order to eliminate duplication of services and to maximize resources made available to Kentucky's youth.

**15. Describe how your State will, in general, meet the Act's provisions regarding youth program design, in particular:**

The Commonwealth will meet the Act's requirement for youth program design by ensuring that local boards have the flexibility to develop comprehensive programs that:

- provide effective and comprehensive services to eligible youth seeking assistance in achieving academic and employment success. These shall include a variety of options for improving education and skills competencies and provide effective connections to employers;
- ensure on-going mentoring opportunities for eligible youth;
- provide opportunities for training to eligible youth;
- furnish continued supportive services for eligible youth;
- offer incentives for recognition and achievement to eligible youth, and provide opportunities in activities related to leadership development, decision-making, citizenship and community services.
- One-stop partners will provide occupational exploration for at-risk students, school drop outs, and others to assist in better career decisions. Such activity will be offered within the framework of the child labor and wage and hour laws. This may be offered during the summer and/or in after school programs. The effort to keep these target groups in school will assist Kentucky in providing employers with a workforce that better meets its needs.
- The secondary vocational curriculum is coordinated with postsecondary technical programs, thus preventing duplication and repetition of courses. This relationship between the partners permits secondary students early admission into postsecondary programs through advanced placement or dual enrollment. This effort allows individuals to progress through the educational system more rapidly, increasing workforce participation, and broadening opportunities for educational achievement.
- The Commonwealth will provide services to youth for career guidance and education in order to increase workforce participation and educational achievement while decreasing poverty. Some of these services include, but are not limited to: job search, job placement, guidance and career counseling, substance abuse counseling, parenting classes, on-site child care, and basic skills upgrade programs.
- The demographics of Kentucky indicate that the workforce is shrinking, especially among youth. To assist in the development of a skilled workforce and improve economic vitality, the local WIB will work closely with local educational providers to determine those individuals needing services. Additionally, all school systems within the Commonwealth are required to provide alternative school settings for troubled youth. To assist in providing every Kentuckian with the tools for self-sufficiency, there will be summer employment opportunities offering paid and unpaid work experience within the guidelines of the federal and state child labor, wage and hour laws. These summer opportunities will assist in developing a workforce that will meet employer needs and provide youth with needed resources to continue their education.
- DTE administers and supervises technical education to students in secondary education under the Carl D. Perkins Vocational and Applied Technology Act. The courses offered provide youth with academic and technical knowledge in preparation for a career, future education, and leadership development. This will provide Kentucky with a skilled

workforce and economic vitality through high quality educational, training, and employment opportunities.

- The Commonwealth envisions a one-stop service system that maintains strong connections with the job market and employers. Follow-up services will be provided by the one-stop centers and/or various partners in the Workforce Investment System.

**C. System Infrastructure: How will the state enhance the systems necessary to operate and manage your workforce investment system?**

**1. How will the locally operated ITA system be managed to maximize usage and improve the performance information on training providers? How will the state ensure the quality and integrity of performance data?**

Kentucky, recognizing the diverse geographical needs of the state, will allow local workforce investment areas significant flexibility in the operation of the individual training accounts (ITAs) system. Therefore, LWIBs will be required to describe how the local service provider certification system will operate, including the economic, geographic and demographic factors used to determine initial and subsequent eligibility of the providers. Other characteristics to be described include the populations in the area served by the providers seeking eligibility and the barriers to such service. The KWIB will establish policy for the development of the ITA system for application by the LWIBs.

Local WIBs will also be required to specify in local plans the individual training account system, particularly the criteria used if the board should determine that an insufficient number of providers exists or when other exceptions to ITAs may be invoked. The criteria shall include any cost ceiling or limitations on the amount of an ITA and the criteria employed to ensure reasonableness of costs.

The state will insure compliance with local plans through its monitoring system. Monitoring activities will include the review of policies and procedures, expenditure reports, information system reports, the service provider certification process, the individual training account system, and the review of performance, both at the provider and the area levels. However, recognizing that performance is the ultimate compliance indicator, outcomes, rather than processes, will be the determinate of success at the local level.

The state will maintain electronically the list of eligible training providers and performance data and will provide for its update as often as possible, but not less than annually. In an effort to assist individuals in selecting the appropriate training provider, this information will be available to the LWIBs, the one-stop center staff, and individuals in multiple forms including electronic, print and public media. The *Kentucky Resource Directory* will serve as another vehicle to access information regarding providers and performance.

**2. How will state improve its technical and staff capacity to provide services to customers and improve entered employment outcomes? How will your state use technology such as Jobline, “swipe card” technology, a community voice mail system or other methods to build a mediated and electronic labor exchange network? How will the state use America’s Job Bank/State Job Bank Internet linkages to encourage employers to enter their own job orders on the Internet.**



In an effort to improve the state's technical and staff capacity, there are currently underway several innovative projects to achieve this goal. Through Employ Kentucky and EMPOWER Kentucky, data systems are being designed and tested that encourage employers and job seekers to better meet the other's needs. DES will design a new data system to allow employers to directly enter job orders. America's Job Bank will be available in all one-stop centers. Employers will be encouraged to use these electronic linkages. Staff development programs will include elements of disability awareness. Other elements may include staff cross training, customer service, case management, teams work, leader/facilitator, tools and presentation skills. Ultimately, these efforts will improve services to customers and employment outcomes.

In an effort to improve the state's technical and staff capacity, there are currently underway several innovative projects to achieve this goal. Through Employ Kentucky and EMPOWER Kentucky, the Commonwealth is directing funding and training efforts in the development of systems that directly address the improvement of services to customers. In particular the EMPOWER Kentucky office is developing a statewide training curriculum that seeks to improve both technical and staff skill sets in the implementation of new technology initiatives. The training includes elements of disability awareness, staff cross training, customer service, teamwork, leader/facilitator, tools and presentation skills. Ultimately, these efforts will improve services to customers and employment outcomes.

### **3. How will the state improve its employment statistics system?**

The collection of accurate and complete information is essential to the administration of the workforce development system, career choices for youth, Kentucky's economic development efforts, and to the planning and staffing decisions of employers. Therefore, the Division of Administration and Financial Management within DES will seek guidance from the U.S. DOL, Bureau of Labor Statistics, along with input from state agencies and local leadership to develop improvements to the collection and reporting of employment statistical data. This program of improvement will include revision to current computer systems and publications of the agency.

Every employer will be surveyed through the unemployment insurance tax reporting system. This process will become the vehicle for a more complete set of data regarding wages by occupation, demand by occupation, occupational outlook by industry sector, economic forecast by industry sector, and other data determined by the KWIB to be relevant to perfecting workforce development services.

## **V. PERFORMANCE MANAGEMENT**

### **A. For each of the core indicators identified in Section II, the customer satisfaction indicator and additional state measures, explain how the state worked with local boards to determine the level of the performance goals.**

Kentucky, in its accountability process, has recognized unique state and local circumstances. As the Commonwealth identifies its performance goals prior to July 1, 1999, the state will meet with

local boards to negotiate adjusted levels of performance. Discussions will include a determination of regional and population characteristics, strategies for services, and appropriate data sources. Kentucky will emphasize a continuous improvement enrichment when developing its performance measures.

**B. Does the state have a common data system in place to track progress? If so, describe.**

Kentucky is currently developing several technology projects under the EMPOWER Kentucky initiative. These include a data warehousing project that will allow all information to be shared via a common repository. A shared client information system that will begin the client tracking process is also under development. A joint application design team will be brought together that will examine existing management information systems and research ways to link these resources. In addition, local areas will be required to develop standardized data collection and reporting systems while maintaining the flexibility to collect and report additional data.

**C. Describe the system(s) by which the state measures customer satisfaction for job seekers and employers.**

Customer satisfaction is critical to Kentucky's continuous improvement efforts. Several of the partners identified in the Act currently assess customer satisfaction in order to meet federal mandates. LWIBs will develop instruments to measure satisfaction with services, service delivery and outcomes. Technical assistance will be provided by the ~~Office of~~ Department for Training and ReEmployment to develop and implement measures of customer satisfaction.

Kentucky has identified job seekers, employers and information seekers as customers of the workforce investment system. Measurement by LWIBs will provide the state with information necessary to establish a baseline of satisfaction with the expectation that the customer satisfaction index will improve each year. The KWIB will require information on overall customer satisfaction but would support flexibility among the LWIBs that may choose the information beyond the core indicators of services, service delivery, and outcomes. Methods of measurement may include, but are not limited to, surveys, mail and telephone, follow-up interviews, and postcards. The LWIBs may also choose customer satisfaction performance measures that take into account local differences in demographics, economic conditions, and services provided to targeted groups.

**D. Describe any actions the Governor and the state board will take to ensure collaboration with key partners and continuous improvement of the statewide workforce investment system.**

The KWIB will establish general oversight requirements for the LWIBs to ensure that specific monitoring and oversight policies and continuous improvement goals are in place. At a minimum, an annual evaluation regarding the policies and outcomes will be conducted by the ~~Office of~~ Department for Training and ReEmployment at the direction of the KWIB.

**E. How will the state and local boards evaluate performance?**

Both the KWIB and LWIBs will use the departure points for performance indicators as required by the Act.

The Commonwealth has chosen to use the core performance indicators as required by the U.S. DOL. The Governor has chosen not to impose further prescribed indicators in the measurement of the performance of the areas at this time. These indicators are detailed in Section II of this plan.

The determination of state or local performance measured against its adjusted standards will determine whether a provider has failed to meet all performance indicators. The state has defined failed to meet as performing below the specific performance indicator. State service providers will be monitored by the ~~Office of~~ Department for Training and ReEmployment, and local providers will be monitored by the LWIBs.

When a provider does not meet a performance indicator (discovered through desktop monitoring), technical assistance will be provided to assist the area/provider in improving the performance and corrective action may be required. If the area/provider fails to improve the performance after the specified time frame, sanctions may be imposed (which may include reorganization of the area or termination of provider eligibility).

The KWIB and LWIBs will use performance information to make necessary adjustments for continual improvement in provider performance over the five-year period and beyond.

## **VI. ASSURANCES**

1. The state assures that it will establish, in accordance with Section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the state through the allotments made under Sections 127 and 132.
2. The state assures that the Governor shall, every two years, certify to the U.S. Secretary of Labor, that:
  - (A) The state has implemented the uniform administrative requirements referred to in Section 184(a)(3);
  - (B) The state has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under Section 184(a)(4); and
  - (C) The state has taken appropriate action to secure compliance pursuant to Section 184(a)(5).
3. The state assures that the adult and youth funds received under the Workforce Investment Act will be distributed equitably throughout the state, and that no local areas will suffer significant shifts in funding from year to year.
4. The state assures that veterans will be afforded employment and training activities authorized in Section 134 of the Workforce Investment Act, to the extent practicable.
5. The state assures that the Governor shall, one every two years, certify one local board for each local area in the state.
6. The state assures that it will comply with the confidentiality requirements of Section 136(f)(3).

7. The state assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing.
8. The state assures that it will comply with the nondiscrimination provisions of Section 188, including an assurance that a Methods of Administration has been developed and implemented.
9. The state assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of Section 188.
10. The state assures that it will comply with the grant procedures prescribed by the U.S. Secretary of Labor (pursuant to the authority at Section 189(c) of the Act) which are necessary to enter into grant agreements for the allocation of and payment of funds under the Act. The procedures and agreements will be provided to the state by the ETA Office of Grants and Contract Management and will specify the required terms and conditions and assurances and certifications, including, but not limited to, the following:

- General Administrative Requirements:

- |   |   |
|---|---|
| 29 CFR part 97                                    | Uniform Administrative Requirements for State and Local Governments (as amended by the Act) |
| 29 CFR part 96 (as amended by OMB Circular A-133) |   |
| OMB Circular A-87                                 | Cost Principles (as amended by the Act)   |

- Assurances and Certifications:

- |                    |  |
|--------------------|--|
| SF 424 B           | Assurances for Non-construction Programs   |
| 29 CFR part 31, 32 | Nondiscrimination and Equal Opportunity Assurance (and regulation)               |
| CFR part 93        | Certification Regarding Lobbying (and regulation)                                |
| 29 CFR part 98     | Drug Free Workplace and Debarment and Suspension Certifications (and regulation) |

- Special Clauses/Provisions:

Other special assurances or provisions as may be required under federal law or policy, including specific appropriations legislation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.

11. The state certifies that the Wagner-Peyser Act Plan has been integrated into this plan and certified by the State Employment Security Administrator.
12. The state certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U. S. C. Chapter 41 and 20 CFR part 1001.
13. The state certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees.
14. The state certifies that Workforce Investment Act, Section 167 grantees, advocacy groups as described in the Wagner-Peyser Act (e.g., veterans, migrant and seasonal farm workers, people with disabilities, UI claimants), the state monitor advocate, agricultural organizations, and employers were given the opportunity to comment on the Wagner-Peyser Act grant document for agricultural services and local office affirmative action plans and that affirmative action plans have been included for designated offices.
15. The state assures that it will comply with the annual Migrant and Seasonal Farm worker significant office requirements in accordance with 20 CFR part 653.
16. The state has developed this Plan in consultation with local elected officials, local workforce boards, the business community, labor organizations and other partners.
17. The state assures that it will comply with Section 504 of the Rehabilitation Act of 1973 (29 USC 794) and the Americans with Disabilities Act of 1990 (42 USC 12101 et seq.).
18. The state assures that funds will be spent in accordance with the Workforce Investment Act and the Wagner-Peyser Act legislation, regulations, written Department of Labor guidance, and all other applicable federal and state laws.

## DEBARMENT

<p style="text-align: center;"><b>Certification Regarding Debarment, Suspension, and Other Responsibility Matters Primary Covered Transactions</b></p>
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Application Organization: **Workforce Development Cabinet**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' Responsibilities. The regulations were published as Part VII of the May 16, 1988, Federal Register (Pages 19160-19211).

**(BEFORE SIGNING CERTIFICATION, READ ATTACHED INSTRUCTIONS WHICH ARE  
AN INTEGRAL PART OF THE CERTIFICATION)**

1. The prospective primary participant, (i.e. grantee) certifies to the best of its knowledge and belief, that it and its principals:
  - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
  - b. Have not within a three-year period preceding this proposal been convicted or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
  - c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
  - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Allen D. Rose, Secretary

Name and Title of Authorized Representative

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Signature

Date

## LOBBYING

<p style="text-align: center;"><b>Certification Regarding Lobbying</b> <b>Certification for Contracts, Grants, Loans, and Cooperative Agreements</b></p>
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The undersigned certifies, to the best of his/her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Cabinet for Workforce Development

Allen D. Rose, Secretary

Name and Title of Authorized Representative

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Signature

Date

## NONDISCRIMINATION

### 29 CFR Part 34

#### Nondiscrimination and Equal Opportunity Certification

As a condition to the award of financial assistance under WIA from the Department of Labor, the grant applicant assures, with respect to operation of the WIA-funded program or activity and all agreements or arrangements to carry out the WIA-funded program or activity, that it will comply fully with the nondiscrimination and equal opportunity provisions of the Workforce Investment Act of 1998, including the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; The Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR Part 34. The United States has the right to seek judicial enforcement of this assurance.

Cabinet for Workforce Development

Allen D. Rose, Secretary  
Name and Title of Authorized Representative

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Signature

Date



## VII. PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURE

**Name of WIA Title I Grant Recipient Agency:**

Commonwealth of Kentucky, Cabinet for Workforce Development

**Address:**

500 Mero Street, 2<sup>nd</sup> Floor  
Frankfort, Kentucky 40601

Telephone Number: 502-564-6606

Facsimile Number: 502-564-7967

E-mail Address: Allen.Rose@mail.state.ky.us

**Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):**

Cabinet for Workforce Development, ~~Office of~~ Department for Training and ReEmployment

**Address:**

209 St. Clair Street, 4<sup>th</sup> Floor  
Frankfort, Kentucky 40601

Telephone Number: 502-564-5360

Facsimile Number: 502-564-8974

E-mail Address: Bill.Gaunce@mail.state.ky.us

**Name of WIA Title I Signature Official:**

Allen D. Rose, Secretary, Cabinet for Workforce Development

**Address:**

500 Mero Street  
Frankfort, Kentucky 40601

Telephone Number: 502-564-6606

Facsimile Number: 502-564-7967

E-mail Address: Allen.Rose@mail.state.ky.us

**Name of WIA Title I Liaison:**

~~Jill K. Day, Staff Assistant,~~ William H. Gaunce, Commissioner  
~~Office of~~ Department for Training and ReEmployment

**Address:**

209 St. Clair Street, 4<sup>th</sup> Floor  
Frankfort, Kentucky 40601

Telephone Number: 502-564-5360

Facsimile Number: 502-564-8974

E-mail Address: [Jill.Day@mail.state.ky.us](mailto:Jill.Day@mail.state.ky.us) [Bill.Gaunce@mail.state.ky.us](mailto:Bill.Gaunce@mail.state.ky.us)

**Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:**

Commonwealth of Kentucky  
Cabinet for Workforce Development  
Department for Employment Services

**Address:**

275 East Main Street, 2<sup>nd</sup> Floor  
Frankfort KY 40621

Telephone Number: 502-564-5331

Facsimile Number: 502-564-7452

E-mail Address: [MargaretM.Whittet@mail.state.ky.us](mailto:MargaretM.Whittet@mail.state.ky.us) [JamesF.Thompson@mail.state.ky.us](mailto:JamesF.Thompson@mail.state.ky.us)

**Name and title of State Employment Security Administrator (Signatory Official):**

~~Margaret M. Whittet~~ James F. Thompson, Commissioner, Department for Employment Services

**Address:**

275 East Main Street, 2<sup>nd</sup> Floor  
Frankfort, Kentucky 40621

Telephone Number: 502-564-5331

Facsimile Number: 502-564-7452

E-mail Address: [MargaretM.Whittet@mail.state.ky.us](mailto:MargaretM.Whittet@mail.state.ky.us) [JamesF.Thompson@mail.state.ky.us](mailto:JamesF.Thompson@mail.state.ky.us)

As the Governor, I certify that for the State/Commonwealth of Kentucky, the agencies and officials designated above have been duly designated to represent the State/Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U. S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

\_\_\_\_\_  
**Typed Name and Signature of Governor**

\_\_\_\_\_  
**Date**

**Planned  
Workforce Investment Act  
Implementation Schedule**

**October, 1998**

10/98	Governor's Policy Group for WIA formed
10/98	WIA Operating Group formed
10/98	Operating Group Guidelines Developed

**November, 1998**

11/98	WIA Five- Year Strategic Planning Committee formed
11/98	Kentucky Cabinet for Workforce Development designated as the lead WIA agency

**December, 1998**

12/98	WIA Plan Writing Team designated; plan writing began
12/98	Participated in DOL Technical Workgroup to develop regulations
12/98	Participated in local discussions of WIA (with SDAs, PICs, and area development districts)
12/98	Policy Group developed proposed mission statement
12/12/98	Public hearing held

**January, 1999**

1/99	First draft WIA plan sent to state and local stakeholders
1/99	Policy and Operating Groups continue to meet
1/99	Made presentations to local stakeholders, business, labor, agencies, etc.

**February, 1999**

2/99	Provide revised first draft WIA plan to stakeholders
2/99	Policy and Operating Groups met and discussed WIA/workforce issues/plan development
2/99	Final Planning Guidance received
2/99	Participated in two conference calls with DOL
2/17/99	State Workforce Board established
2/19/99	State Board members named
2/26/99	Second draft WIA Plan provided to stakeholders and public

**March, 1999**

- 3/3/99 Second public hearing on WIA plan held (statewide, interactive video teleconference)
- 3/12/99 State WIB met; approved state five-year strategic plan and local WIA areas
- 3/99 Office of Training and ReEmployment designated as state WIA administrative agency for Title I
- 3/99 Began drafting WIA policies and procedures
- 3/99 Local workforce investment boards named
- 3/99 Drafted instructions for local workforce investment plans; send to LWIBs and CEOs.
- 3/99 LWIBs and CEOs developed and finalized MOUs for one-stop partners

**April, 1999**

- 4/1/99 State plan submitted to DOL
- 4/99 Negotiate state performance measures with DOL
- 4/99 Develop certification criteria for LWIBs
- 4/99 LWIBs/CEOs select operators and providers
- 4/99 State and LWIBs negotiate local performance measures
- 4/99 Establish youth subcouncils for LWIBs
- 4/99 Develop local five-year plan
- 4/99 LWIBs certify one-stop delivery systems established prior to WIA
- 4/99 LWIBs establish procedures to determine initial eligibility of service providers
- 4/99 LWIBs submit list of eligible providers to state administrative agency
- 4/99 Determine use of state 10 percent funds
- 4/99 Develop procedures for rapid response activities

**May, 1999**

- 5/99 LWIBs establish procedures for continuing eligibility of service providers
- 5/99 State develops list of eligible providers from information submitted by LWIBs and makes it available statewide
- 5/99 Establish grievance/appeal procedures for individuals, providers, areas, and other interested parties for termination of provider eligibility or sanctions imposed by LWIBs or the state administrative agency
- 5/99 Establish a statewide performance/accountability system (ongoing) using wage record data
- 5/99 LWIBs establish local grievance/compliant procedures
- 5/99 State/LWIBs determine whether to submit waiver requests

**June, 1999**

6/99	Allocate funds to local areas
6/99	Establish procedures for reporting, recordkeeping, and monitoring
6/99	Submit waiver request(s) (if appropriate)

**Department for Adult Education and Literacy (DAEL)** - provides support for learners, volunteers, practitioners, business and industry, and other interested agencies through research, policy development, training, and the dissemination of information and materials.

**Department for the Blind (DFB)** - provides services for the blind and visually impaired such as personal counseling, job placement, vocational training and evaluation, assistive technology, medical evaluation and assistance, rehabilitation engineering, volunteer book recording, vending employment opportunities, orientation, and mobility training and independent living skills development.

**Department for Employment Services (DES)** - provides labor exchange, unemployment insurance, and labor market information. Labor exchange matches available workers with employers who need their skills and experience. Unemployment Insurance provides short term benefits for those who are unemployed. Labor market information contains a wide range of statistical data on employment and wage patterns and is available locally, statewide, and nationally to both business and job seekers.

**Department for Technical Education (DTE)** - provides technical education for high school students through 54 area technology centers and training programs for business and industry designed to meet a company's specific employee training needs.

**Department of Vocational Rehabilitation (DVR)** - assists all Kentuckians with disabilities in achieving suitable employment and independence.

**The Office of Training and ReEmployment (OTR)** - enables Kentucky job seekers, employees, and employers opportunities for learning new skills or updating current ones, or for laying the groundwork for further education or training through federal programs funded under Title I of the Workforce Investment Act (WIA).

**One-Stop Career Centers** - offers integrated workforce development on the basis of customer need through collaborative efforts at the local level.

**Cabinet for Workforce Development (CWD)** - integrates the missions of various government agencies and private partnerships to: provide support for those who have lost their jobs; foster lifelong learning through adult and continuing education; enable people with disabilities to find and keep good jobs; and give workers and companies the tools to compete in a changing, competitive economy.

**Kentucky Community and Technical College System (KCTCS)** - is the state's system of postsecondary education at the certificate, diploma, and associate degree level.

**Cabinet for Economic Development** - supports and promotes economic activities by attracting new industries to the state, furthering the development of existing industries, and assisting communities in preparing for development opportunities.

**Division of Research (Cabinet for Economic Development)** - provides information and analytical services to support economic development activities in the state and support services for the Kentucky Strategic Plan for Economic Development.

**Bluegrass State Skills Corporation (BSSC)** - provides tax credits to existing businesses for skills upgrade training and awards grants to educational institutions which work with one or more private companies to train people for jobs.

**Governor's Office for Policy and Management (GOPM)** - has broad responsibilities in assisting the Governor in budget preparation and execution, financial and policy analysis, issue review, executive policy implementation and compliance, and review of statewide management procedures and practices.

**Kentucky Labor Cabinet** - promotes an equitable relationship between management and labor to ensure employee safety and health in the workplace and administers the workers' compensation program.

**Cabinet for Families and Children (CFC)** - administers human services programs including prevention and crisis assistance.

**Council on Postsecondary Education (CPE)** - responsible for the coordination of public and independent postsecondary education institutions.

**Department of Local Government** - provides services and technical assistance to local governments within the Commonwealth.

**Empower Kentucky** - redesigns state agency business processes and utilizes technology to help generate cost savings, increase revenue, and improve services for customers.

KENTUCKY WORKFORCE  
Investment Board

STATEMENT OF EXECUTIVE AUTHORITY

AND

RULES OF PROCEDURE

REVISED & ADOPTED: JULY 12, 2001



## **Statement of Executive Authority**

Public Law 105-220, now codified as 29 U.S.C. § 2801 et seq., known as the Workforce Investment Act of 1998, enacted by the Congress of the United States and signed by the President on August 7, 1998, provides workforce investment activities through statewide and local workforce investment systems, which are aimed at increasing the employment, retention and earnings of participants; increasing occupational skill attainment by participants; improving the quality of the workforce; reducing welfare dependency; and enhancing the productivity and competitiveness of the United States and its states. The Workforce Investment Act of 1998 requires that the Governor establish a state workforce investment board to assist in implementation and development of the State Plan described in 29 U.S.C. § 2822 and to carry out the functions described in 29 U.S.C. § 2821.

### **I. Establishment of Kentucky Workforce Investment Board**

Kentucky Governor Paul E. Patton established the Kentucky Workforce Investment Board through Executive Order 99-226, dated February 17, 1999. The members of the Kentucky Workforce Investment Board were named by the Governor through Executive Order 99-232, dated February 19, 1999.

### **II. Duties of the Kentucky Workforce Investment Board**

The Kentucky Workforce Investment Board was created and established to assist the Governor in implementing the provisions of the Workforce Investment Act of 1998. The duties of the Kentucky Workforce Investment Board shall include, but are not limited to, the following:

- A. Development of the State Plan described in 29 U.S.C. § 2822.
- B. Development and continuous improvement of a state-wide system of activities that are funded under the Workforce Investment Act of 1998 or carried out through a one-stop delivery system described in 29 U.S.C. § 2864(c) that receives funds under the Workforce Investment Act of 1998, including, but not limited to:
  - (1) Development of linkages in order to assure coordination and non-duplication among the programs and activities described in 29 U.S.C. § 2841(b); and
  - (2) Review of local plans.
- C. Commenting at least once annually on the measures taken pursuant to Section 113(b)(14) of the Carl D. Perkins Vocational and Applied Technology Education Act [20 U.S.C. § 2323(b)(14)];
- D. Consulting with the Governor prior to his designation of local areas as required in 29 U.S.C. § 2831;
- E. Development of allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas as permitted under 29 U.S.C. § 2853(b)(3)(B) and 29 U.S.C. § 2863(b)(3)(B);
- F. Development and continuous improvement of comprehensive state performance measures, including state adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the Commonwealth as required under 29 U.S.C. § 2871(b);
- G. Preparation of the annual report to the United States Secretary of Labor described in 29 U.S.C. § 2871(d);
- H. Development of the state-wide employment statistics system described in Section 15(e) of the Wagner-Peyser Act;
- I. Development of an application for an incentive grant under 20 U.S.C. § 9273;
- J. In conjunction with its duty to comment annually on measures taken under Section 113(b)(14) of the Carl D. Perkins Vocational and Applied Technology Education Act, 20 U.S.C. § 2323(b)(14), the Kentucky Workforce Investment Board shall review and endorse the state plan described in 20 U.S.C. § 2342 and
- K. Other responsibilities as designated by the Governor.

**III. Board Membership**

The Kentucky Workforce Investment Board is comprised of thirty-three (33) voting members appointed by the Governor. Members are appointed in accordance with the provisions of 29 U.S.C. § 2821, Executive Order 99-226, and other applicable state and federal statutes. The members of the Kentucky Workforce Investment Board shall serve for a term of four (4) years and shall be initially appointed to staggered terms. Each member shall serve for the appointed term and until a successor has been appointed and duly qualified. If a vacancy on the Board occurs, the Governor shall appoint a replacement who shall hold office during the remainder of the term vacated.

The Governor shall select a Chairperson for the Kentucky Workforce Investment Board from among the representatives described in 29 U.S.C. § 2821(b)(1)(C)(i).

**IV. Meeting Frequency and Board Member Expenses**

The Kentucky Workforce Investment Board shall meet, at a minimum, quarterly. Board members shall serve without compensation but shall be reimbursed for all actual and necessary expenses incurred in connection with their official duties as members of the Kentucky Workforce Investment Board.

**V. Conflict of Interest**

A member of the Kentucky Workforce Investment Board may not vote on a matter under consideration by the Board: regarding the provision of services by such member (or by an entity that such member represents) or that would provide direct financial benefit to such member or the immediate family of such member.

**VI. Board Staff**

The Kentucky Workforce Investment Board shall be attached to the Cabinet for Workforce Development for administrative and staff purposes.

## **RULES OF PROCEDURE**

### **ARTICLE I**

### **MEETINGS**

**Section 1** The Kentucky Workforce Investment Board shall hold regular meetings at least quarterly and as often as necessary to perform the duties outlined in the Statement of Executive Authority and Rules of Procedure. Meetings shall be called by the Chairperson or by the Secretary of the Cabinet for Workforce Development, in consultation with the Chairperson, and notice of all regular meetings shall be made in writing to all members. Special meetings may be called as above. Notices of all meetings shall be made at least 48 hours prior to the meeting date.

**Section 2** A written notice of meetings will be sent to each member with a response as to anticipated attendance required. Proxies are allowed only in the case of ex-officio members. Each ex officio member wishing to have a proxy must designate that individual and provide a statement to that effect to the staff of the Board. Such proxy will have all powers and privileges of the member, including the right to vote. Once designated, the proxy will serve for the same period of time as the ex officio member.

**Section 3** For the purpose of conducting business, a simple majority of the membership, excluding any vacancies, shall constitute a quorum.

- Section 4** The Chairperson shall develop an agenda for each meeting. Members shall submit in writing a written request for consideration of an agenda item in advance of the meeting. Special interest groups or individuals shall submit a written request in advance of a meeting in order to be considered for inclusion on the agenda. Those members of the public in attendance at any meeting of the Kentucky Workforce Investment Board may address the Board only with the approval or at the request of the Chairperson.

## **ARTICLE II**

### **STANDING COMMITTEES**

- Section 1** There shall be established an Executive Committee and five (5) standing committees: the Accountability and Funding Committee, the Business and Industry Committee, the Youth Committee, the Local Liaison Committee and the Marketing and Public Relations Committee. The Chairperson shall appoint members of the Board to serve on these standing committees, taking into account the need for and level of participation attendant each committee and, to the extent possible, the interest expressed by the Board members. Committee descriptions shall be made available by Board staff. The Chairperson shall designate a Committee Chairperson for each committee established and appointed. A vice-chair shall be designated for each standing committee, in a process to be determined by the Board Chair.

The Executive Committee shall be made up of the Board Chair (who shall also be chair of the Executive Board), the Chairs of the five standing committees, and up to 4 at large members appointed by the Chair to ensure representation of the major groups identified in the law. The Executive Committee is empowered to meet on an interim basis between regular full Board meetings and make emergency or time-sensitive decisions when necessary. Decisions made by the Executive Committee are subject to ratification and approval of the full Board at the next regularly scheduled meeting. The Executive Committee shall monitor the work of other Board committees and the Board staff, develop agenda items, work on legislative issues and make policy recommendations to the Board.

- Section 2** Board staff shall provide a resource person for each standing committee upon consultation with the Chairperson.
- Section 3** Meetings of Standing Committees may be called by the committee Chairperson. Committees may hold meetings concurrently with other committees. All committee members shall be notified in writing as to the date and time of the committee meeting.
- Section 4** All members of the Kentucky Workforce Investment Board may attend any committee meeting, but only those members appointed to the committee shall vote on committee business.

## **ARTICLE III**

### **PARLIAMENTARY PROCEDURES**

The proceedings of the Kentucky Workforce Investment Board shall be governed by Robert's Rules of Order (Newly Revised), unless contrary to the Rules of Procedure.

## **ARTICLE IV AMENDMENTS**

### **Statement of Executive Authority**

Amendments to the Statement of Executive Authority resulting from federal or state law or further Executive Orders do not require the approval of the Kentucky Workforce Investment Board.

### **Rules of Procedure**

These Rules of Procedure shall be binding on the Kentucky Workforce Investment Board and its members. These Rules of Procedure may be altered or amended by advance notice in writing and require two (2) readings. The Rules of Procedure of the Kentucky Workforce Investment Board may be altered or amended by a majority vote of its membership.

## **DEOBLIGATION POLICIES**

The following policies outline the Governor's requirement and sanctions regarding meeting the cost limitations as addressed in the Workforce Investment Act and the amount of allowable carry-over funds. The purpose of these policies is to ensure that resources are being utilized effectively.

### A. Background

Any sanction policy promulgated by the Governor involving the deobligation/reobligation of funds must take into account the cost limitations and the obligational requirements found in the Act and ensure that these limitations and requirements are adhered to by the local areas. Further, failure to adhere to the statutory cost limitations may be the basis for sanctions which utilize repayment of funds. Failure to meet the obligational requirements may result in deobligation.

### B. Publication/Modification Requirements

A modification to the WIA Plan will be required if a substantial deviation of funds results from either a voluntary or involuntary deobligation or reobligation. A change of more than 20 percent in fund availability is considered a substantial deviation. A technical correction to the WIA plan will be required if the change in funds is less than 20 percent of the total funds available. Modifications and technical corrections to the WIA plan should be submitted in accordance with the WIA Plan instructions.

## **Involuntary Deobligation Policy Title I, Workforce Investment Act**

### A. Obligation of Funds

The Governor may reallocate youth, adult, and dislocated worker funds among local areas within the State in accordance with the provisions of sections 128(c) and 133(c) of the Act.

For the youth, adult, and dislocated worker programs, the amount to be recaptured from each local area for purposes of reallocation, if any, must be based on the amount by which the prior year's unobligated balance of allocated funds exceeds 20 percent of that year's allocation for the program, less any amount reserved (up to 10 percent) for the costs of administration. Unobligated balances must be determined based on allocations adjusted for any allowable transfer between funding streams. This amount, if any, must be separately determined for each funding stream.

NOTE: Obligations - means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a funding period that will require payment by the recipient or subrecipient during the same or a future period.

It should be noted that the deobligation of funds based upon non-compliance with the requirement that 80 percent of a program year's allocation be obligated is based upon the status of obligations after the first program year of the grant period is over. Therefore, funds set aside at the beginning of a program year for such things as OJT contract pools and administrative budgets, etc., will not count as an obligation at the end of the year unless actual contracts were written.

### B. Reobligation

If such funds become available, local areas will be notified as to the amount of the funds available by WIA funding stream. To be eligible to receive youth, adult or dislocated worker funds under the reallocation procedures, a local area must have obligated at least 80 percent of the prior program year's allocation, less any amount reserved (up to 10 percent) for the costs of administration, for youth, adult, or dislocated worker activities, as separately determined. A local area's eligibility to receive a reallocation must be separately determined for each funding stream. Eligible local areas may apply for these funds by submitting a plan with their projected expenditures for the current program year. The minimum/maximum amount of funds which a local area may receive will be determined by the State based on fund availability.

## **Voluntary Deobligation Policy**

### A. Principles

- 1) A local area may opt to transfer funds to another local area that wishes to accept those funds. This transfer may include any portion of a local area's funds, including those exclusively from the program category (i.e. either whole dollars), administrative, or any combination thereof.

NOTE: If a local area deobligates only program funds, it could appear that the local area has exceeded the cost limitations. If this occurs, a clarification should be included with the federal report explaining the voluntary deobligation of funds. The explanation should state: "\$\_\_\_\_\_ program dollars were voluntarily deobligated to the \_\_\_\_\_ local area" in accordance with the State's written policy.

- 2) Funds voluntarily deobligated and transferred maintain their character regarding cost categories and associated time limitations for expenditure.

A local area that received deobligated funds needs to expend these funds based on the following:

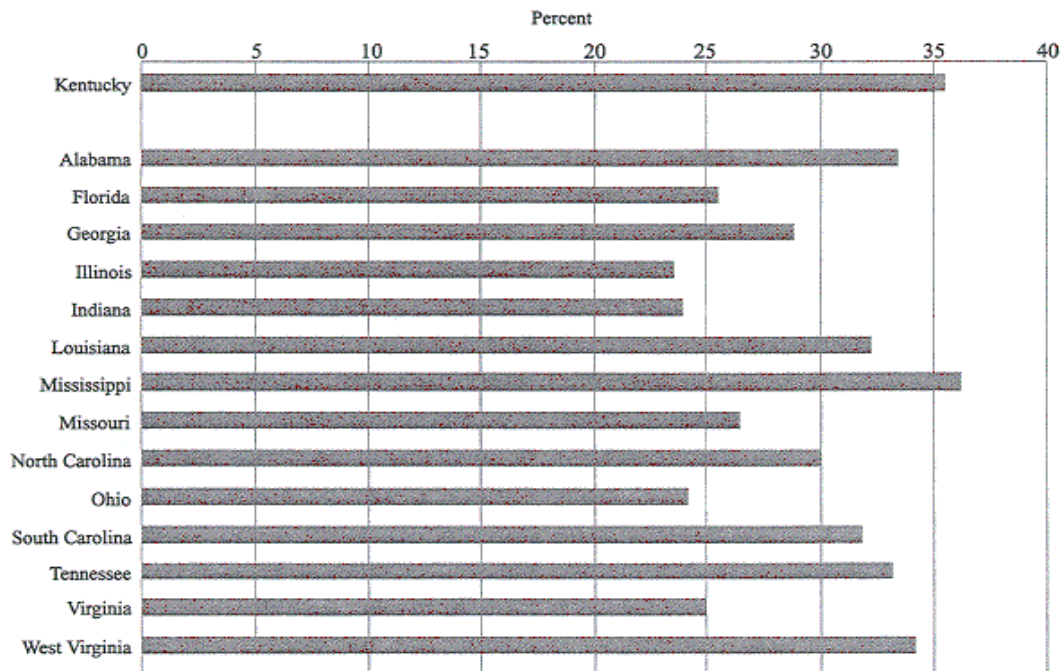
Deobligated funds must be expended within the program year in which they are received. Carry-over of voluntarily deobligated funds is not allowed.

- 3) Voluntary deobligation for Title I, Section 128(b)(2)(A) or 128(b)(3) and Section 133(b)(2)(A) or 133(b)(3), respectively, may be negotiated and accomplished during the first three quarters of the program year. No voluntary deobligations may occur during the fourth quarter without a request for wavier and approval by the Department for Training and ReEmployment.
- 4) Contingent on State approval, the local area may negotiate a voluntary deobligation and transfer with the approval of its LWIB and Chief Elected Officials.

**B. Reallocation Procedures**

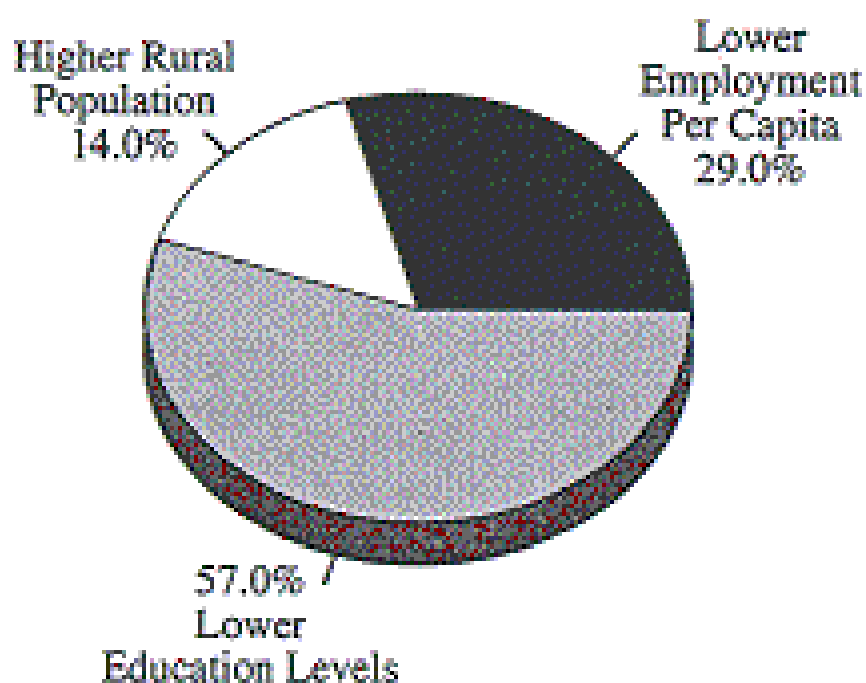
- 1) Local areas interested in making deobligations or receiving such funds should communicate their interest to other local areas and to the Department for Training and ReEmployment. The identification of an area willing to accept funds and subsequent negotiations of the deobligation transfers is the responsibility of the local areas involved.
- 2) Once local areas have agreed to a voluntary deobligation transfer, both the local area deobligating and receiving funds must submit a rationale to the State for this action. If a local area accepts program funds without administrative funds, an explanation must be included describing how these funds will be effectively supported.
- 3) The Department for Training and ReEmployment must approve a local area's deobligation and reallocation plans prior to any funds being transferred.

**Figure 7**  
**Educational Attainment of Adult Population, 1990**  
**Less than High School**



Source: U.S. Census Bureau

**Figure 3**  
**Explaining Difference Between**  
**Kentucky and U.S. Per Capita Income, 1995**

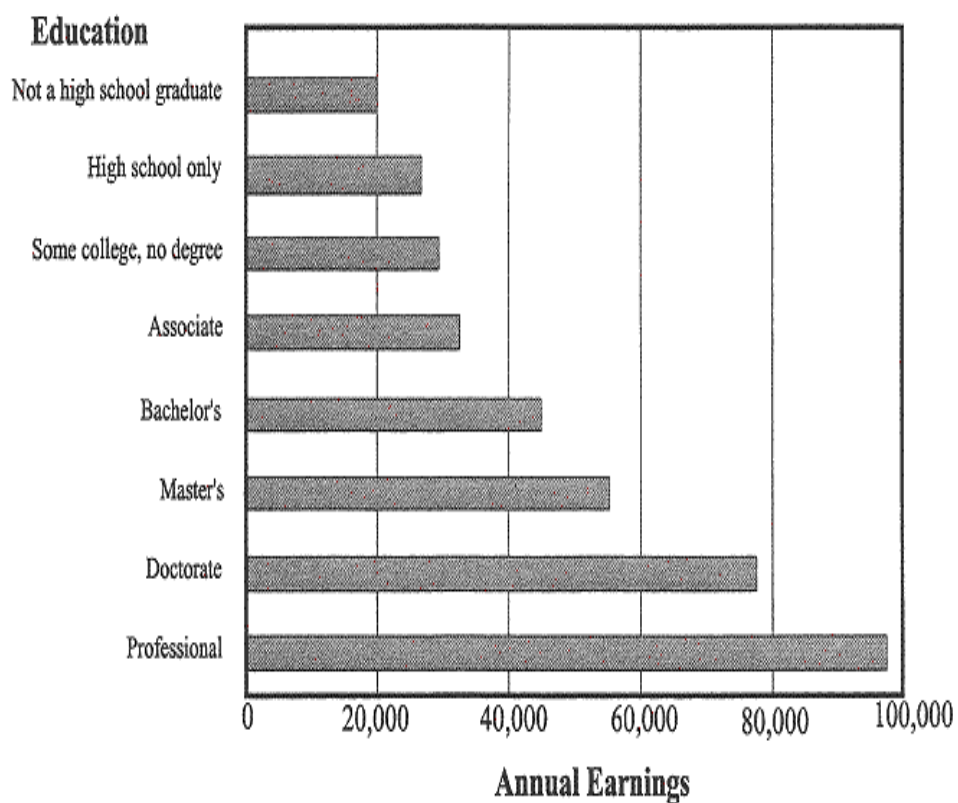


Source: 1997 Kentucky Annual Economic Report

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**Figure 4**  
**Educational Attainment and Earnings**



Source: U.S. Department of Commerce, Bureau of the Census, mean annual earnings for full-time workers age 18 and over by highest level of education, 1994

GOPM-528.prs

June 21, 1999

Mr. Toussaint L. Hayes, Regional Administrator  
U. S. Department of Labor  
Employment and Training Administration  
Room 6M12-61 Forsyth Street, S.W.  
Atlanta, Georgia 30303

Dear Mr. Hayes:

We have received your comments and suggestions concerning Kentucky's Five-Year Strategic Plan for Workforce Investment in regard to the Workforce Investment Act of 1998. We appreciate your request for additional information and submit individual responses in relation to those issues identified in enclosure 1 of your May 24, 1999 correspondence.

After conferring with a member of your staff regarding the concerns outlined in enclosure 2, we offer the following information which we trust will be sufficient to address those concerns via this correspondence.

- Kentucky is aware that it must adhere to state and federal statutory and legal requirements. Our intent is not to suggest that Kentucky will violate such regulations, but rather to identify barriers to efficient, effective, and universal service and the changes necessary to create a system that truly meets the needs of those who access those services.

Kentucky's Five-Year Strategic Plan for Workforce Investment is much more than a document describing current limitations; it is a vehicle to recognize opportunities for new and creative ideas and strategies to serve the customer better. In sum, while Kentucky will comply with all regulations, the Commonwealth has presented its vision for customer-focused, high performance organizations.

Mr. Touissant Hayes  
USDOL Employment and Training Administration  
June 21, 1999  
Page Two

- When Kentucky received its federal grant to implement One-Stop, the Department for Vocational Rehabilitation (DVR) and the Department for the Blind were included as required partners. From the start, Kentucky placed a high priority on the needs of individuals with disabilities. Across the state, DVR is either co-located or a regular service provider in the existing comprehensive centers. Some DVR offices serve as One-Stop centers, housing other services and partners as well. Cross training has included disability awareness in order to equip all staff with the skills and sensitivity to provide compassionate and comprehensive services to Kentucky's citizens with disabilities. Both agencies played critical roles in the implementation of the One-Stop initiative and the development of the WIA State Plan.

Other efforts have been made to accommodate the needs of individuals with disabilities by ensuring that all One-Stop facilities are ADA accessible prior to such designation. Under the auspices of the federal One-Stop initiative, an assistive technology workgroup was formed to recommend the requirements for assistive technology in comprehensive centers. This technology is being placed in all existing comprehensive centers and in numerous affiliate sites to ensure that access to the benefits and services in the One-Stops are not closed to this significant population.

Finally, members from this community serve in a variety of roles at the local and state levels. From participation on local boards and councils to representation on the state board, Kentucky is serious in its commitment to the disabled community, both now and in the future.

- Kentucky's priorities for improvement are intentionally broad in scope and include changes that would better serve youth as well as adults. By design, the Commonwealth has not identified specific target groups in the six priorities outlined in the State Plan. Our belief is that these represent strategies to improve services to all segments of our population.
- The language in the State Plan should not be interpreted to restrict services to displaced homemakers. Instead, local workforce investment areas will recognize, through policies and services, the inclusion of displaced homemakers as dislocated workers under the Workforce Investment Act of 1998.

Mr. Touissant Hayes  
USDOL Employment and Training Administration  
June 21, 1999  
Page Three

- Over 90 percent of the existing One-Stop comprehensive centers are housed in local Department for Employment Services (DES) offices. A required component of the federal One-Stop initiative, access to and integration of unemployment insurance services has been present in the Commonwealth's One-Stop effort from the beginning. Kentucky's DES staff has been cross-trained to enable them to provide both ES and UI, not only on-site at their offices, but also when out-stationed in One-Stops located in other partner sites or locations. Because leadership activities at the local level have involved DES managers, Kentucky has ensured that the full range of services rendered by ES is present in One-Stop centers.
- Throughout the State Plan, Kentucky has acknowledged the advantages of local flexibility and control in decision-making. This approach recognizes that the various local areas have differing needs and, therefore, will benefit from locally designed solutions. Sharing costs, including administrative costs, at the local level is one such example. As a result, Kentucky anticipates that multiple options may exist and be submitted as effective processes and partnerships.

Consistent with that approach, the state is reluctant to prescribe the criterion to define the needs of youth to secure and hold employment. With the diverse employment needs and opportunities represented across Kentucky, this may vary. Therefore, it will become incumbent upon each local area in its plan to present a coherent description and justification for its definition of youth that require additional assistance.

Kentucky will continue to evaluate its State Plan and consider appropriate modifications and amendments. We look forward to continued opportunities to share insight and observation as the Commonwealth implements its redesigned workforce investment system.

Sincerely,

Allen D. Rose  
Secretary

attachments

June 21, 1999

Mr. Raymond L. Bramucci, Assistant Secretary  
U. S. Department of Labor  
Employment and Training Administration  
200 Constitution Avenue, NW, Room S-5513  
Washington, DC 20210

Dear Mr. Bramucci:

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Mr. Raymond L. Bramucci  
USDOL Employment and Training Administration  
June 21, 1999  
Page Two

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Mr. Raymond L. Bramucci  
USDOL Employment and Training Administration  
June 21, 1999  
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Kentucky will continue to evaluate its State Plan and consider appropriate modifications and amendments. We look forward to continued opportunities to share insight and observation as the Commonwealth implements its redesigned workforce investment system.

Sincerely,

Allen D. Rose  
Secretary

attachments

1. Governor Paul E. Patton's letter of March 29, 1999, accompanying the plan indicates that the plan covers Program Years 2000 and 2001 (two years). The cover page of the plan indicates that the plan covers the period July 1, 1999 - June 30, 2000 (four years). These need to be corrected to indicate that a five-year plan has been submitted.

Due to the immediacy for submittal of the Strategic Five-Year State Workforce Investment Plan to the U. S. Department of Labor, this minor typographical error regarding the plan date was not detected prior to plan submittal. While no impact regarding the plan's substance occurred, we have quickly addressed the issue to appropriately indicate the type of plan submitted by the Commonwealth and correct the plan period from July 1, 1999 – June 30, 2003 to July 1, 1999 – June 30, 2004.

**2. Page 3-I.A. Additional information is requested concerning the plan development process and specific time lines. How was the State Board involved in the development of the plan, and how was buy-in from partners achieved with regard to Wagner-Peyser funded activities? Moreover, what were the timelines involved for review and comment?**

The Kentucky Workforce Investment Board (KWIB) held two meetings, March 12, 1999 and March 25, 1999 respectively, to review, comment on and approve the Strategic Five-Year State Workforce Investment Plan. These meetings were scheduled subsequent to the public comment period, enabling all public comment to be considered and incorporated into a more complete draft document for the KWIB's consideration and amendment. In addition, the draft state plan was posted on the state's web page dedicated to the Workforce Investment Act of 1998 allowing board members to view and comment on the plan prior to the March 12 and March 25 meetings. All comments made by KWIB members at the March 12 meeting were captured and distributed prior to the March 25 meeting so that modifications could be made to draft four of the state plan at the March 25 meeting. The product of those revisions became the KWIB and Governor-approved Strategic Five-Year State Workforce Investment Plan.

The Department for Employment Services (DES) is the administrative entity for Wagner-Peyser activities in Kentucky, and as such was well represented on the operating group as well as its subcommittees, including the Strategic Five-Year State Workforce Investment Plan writing team. This collaboration at various levels of the plan development process demonstrates the input, awareness, comprehension and concurrence of Kentucky's Wagner-Peyser partners regarding the state plan.

A writing team was formed in early December 1998, and was comprised of representatives of the agencies listed in WIA as mandatory and voluntary partners in the one-stop centers. After participating in a mid-December public hearing, the writing team submitted its first draft to local and state stakeholders coinciding with its posting on the state's Workforce Investment Act web page for public review and comment in January 1999. A revised first draft was reissued in like manner in February 1999, during which time the KWIB was appointed. A second public hearing occurred in early March enabling a second draft document to be submitted to local and state stakeholders, shared with the KWIB, and posted on the state's WIA web page. Collective comments were incorporated into the third draft,



which was shared with the KWIB for further review and comment at its March 12, 1999 meeting. Their comments were incorporated into a fourth draft that was considered at the KWIB's March 25, 1999 meeting. This "fourth draft" was approved as the State's Five-Year Strategic Workforce Investment Plan and was forwarded to the U.S. Department of Labor on March 29, 1999.

**3. Page 3-I.B. The plan includes comments received on the WIA plan, but does not address how they were considered. Please elaborate on comment resolution.**

Prior to the KWIB's existence, the Operating and Policy Groups served as the arbiters regarding state plan input. Each comment received was organized with similar observations, then forwarded to the multiple-partner Operating Group for discussion regarding significance and appropriateness for inclusion. When issues arose on which the Operating Group could not come to consensus, those were forwarded to the Policy Group for consideration. Upon the naming of the KWIB, authority to amend the draft state plan became the responsibility of that body.

4. Page 10-II.B. Additional information is needed concerning how Wagner-Peyser Act and unemployment insurance services will be fully integrated into the system. In the vision, for example, how is UI integrated into One-Stops? Are UI offices in One-Stops? Is phone access provided? Is information about filing initial claims and appeals available? Is the plan to offer UI initial claims via telephone, in person, on the Internet, in existing offices? How are labor exchange services going to be delivered, and how will the system look at the end of five years?

The Kentucky Department for Employment Services (DES) is the designated recipient of Wagner-Peyser funds and the agency responsible for the delivery of the unemployment insurance program for the state. DES will be located in all one-stop locations with cross-trained staff and/ or electronic connectivity. In comprehensive centers that are housed in DES buildings, full-service unemployment insurance programs will be available. In other locations unemployment insurance (UI) information will be made available to the center staff and those customers seeking information about the program. This information will include filing initial claims, appeals and other aspects of the UI program in Kentucky. DES has applied for a DOL grant to implement telephone and Internet claims throughout the state that will allow access from all one-stop centers for those filing UI claims.

Labor exchange services will be delivered in all centers and satellites by DES personnel either in person or electronically. State merit system staff will deliver these services. Within five years DES will implement many new and innovative processes to insure easy access to labor exchange functions. These new initiatives include: electronic and telephonic claims filing, utilization of interactive video to seek work, information, or other services offered by DES and other one-stop partners and utilization of the Internet that allows 24-hour service to customers.

**5. Page 12-II.C. Performance indicators and goals have not been included for the first three program years. These will need to be negotiated and incorporated into the plan prior to approval. However, the state should provide levels as a negotiation starting point. Additionally, there is to be a separate customer satisfaction indicator for**

participants and for employers which applies across the three funding streams – adult, youth and dislocated workers. The listing in the plan on page 12 appears to indicate that it only applies to younger youth.

Performance indicators are included on the table below which were calculated as directed in the performance meeting of May 26 and 27, 1999 in Washington, D.C. for early implementing states. The Office of Training and ReEmployment, Kentucky's administrative entity for WIA, has negotiated the following levels with the Regional U.S. Department of Labor on June 17, 1999.

**Optional Table for State Performance Indicators and Goals  
WIA Requirement at Section 136(b)**

Core indicators of Performance	Previous Year Performance	Performance Goals Out-Years		
		1	2	3
Entry Into Unsubsidized Employment	58.99%	55%		
6-Months Retention in Unsubsidized Employment	76.11%	60%		
6-Months Earnings Gain	\$3,628.84	\$2,900		
Attainment of Educational or Occupational Skills Credential	**?? 45% ??**	40%		
Entry Into Unsubsidized Employment	70.93%	65%		
6-Months Retention in Unsubsidized Employment	80.22%	55%		
6-Months Wage Replacement Rate	94.61%	65%		
Attainment of Educational or Occupational Skills Credential	**?? 40% ??**	35%		
Entry Into Unsubsidized Employment	67.02%	60%		
6-Months Retention in Unsubsidized Employment	67.94%	50%		
6-Months Earnings Gain	\$2,283.05	\$1,800		
Attainment of Educational or Occupational Skills Credential	**?? 25% ??**	15%		

<b>YOUTH 14-18</b>				
Attainment of Basic, Work Readiness and/or Occupational Skills	**?? 75% ??**	65%		
Attainment of Secondary School Diplomas/Equivalents	5.48%	4%		
Placement and Retention in Post-Secondary Education/Training, or Placement in Military, Employment, Apprenticeships	**?? 25% ??**	5%		
PARTICIPANT CUSTOMER SATISFACTION	**?? 70% ??**	60%		
EMPLOYER CUSTOMER SATISFACTION	**?? 65% ??**	55%		
<b>ADDITIONAL STATE-ESTABLISHED MEASURES</b>				
<b>No additional measures established at this time.</b>				

\*\*?? ??\*\* -- unknown, no information available. These are desired performance levels. The rationale for lower numbers than the data run include: 1) large numbers of laid-off coal miners who had no educational attainments but had salaries more than \$30,000; 2) Kentucky's low statewide literacy rate produces lower than average credentials, job retention, and wages; 3) typically Kentucky's available employment is for low-skilled labor.

**SEE:**

**ATTACHMENT 1 - Optional Table for State Performance Indicators and Goals**  
**ATTACHMENT 2 - Final PY '99 Performance to Compare with '99 Negotiated Levels**  
**ATTACHMENT 3 - Figures Used to Compute PY '99 Performance**

6. Pages 17-18-III.A.2. The plan did not identify the job skills necessary to obtain jobs in key occupations.

The following are workplace skills that would involve all occupations:

**Academic**

- Demonstrate ability to learn new steps, either oral or written, and follow instructions
- Ability to read and comprehend instructions
- Achieve educational level appropriate for the occupation

### Occupational

- Participate and achieve required skill level in specific training of products or services of employer requirements
- Demonstrate ability to maintain tools and equipment assigned
- Demonstrate safe and careful use of equipment
- Demonstrate basic skills

### Employability

- Ability to complete application for employment/prepare a resume and letter of interest
- Participate in an employment interview
- Demonstrate a willingness to learn and work
- Demonstrate enthusiasm and confidence about work and learning new tasks
- Punctuality and regular attendance
- Ability to complete tasks on time and with accuracy
- Ability to get along with fellow employees, supervisors and the public
- Accept constructive criticism
- Be honest and truthful
- Work with minimal supervision

In the Industrial Sector, several skill needs were listed. While not intended to be comprehensive or complete, these represent a sampling of necessary skills needed for employability in this sector.

Industrial sector technical skills training needs will require math skills; fundamental drafting skills; ability to create orthographic projections; ability to create pictorial drawings such as axonometric, oblique and perspective drawings; apply correct rules and appropriately use dimensioning; demonstrate fundamental computer skills with hardware and software; demonstrate and understanding of ergonomic considerations (keyboard position, screen position, lighting); and demonstrate personal safety (electrical and mechanical hazards); appropriately use operating systems; employ basic CAD skills and manipulations; demonstrate general knowledge/understanding of electronics troubleshooting and repair; demonstrate general knowledge/understanding of DC circuits troubleshooting and repair; demonstrate general knowledge/understanding of AC circuits troubleshooting and repair; demonstrate, troubleshoot and repair microprocessor interfaces, essential components, BUS concepts, microprocessor memory circuits, machine code and instruction sets; understanding of microcomputer operating systems; demonstrate an understanding of microcomputer components and peripherals; set up and configure a microcomputer using available operating systems and software packages; demonstrate an understanding of digital circuits and their uses; demonstrate safe welding practices and procedures; demonstrate knowledge to identify safety needs and regulations in a shop with machinery; demonstrate knowledge and proper uses of non-cutting hand tools; perform operations with cut-off saw and vertical saw; sharpen drills; cut and weld bandsaw blades; setup a drill press and drill correct holes; and shape and finish holes on a drill press; demonstrate knowledge and skills

to identify, repair/replace and connect motor controls; demonstrate general plumbing abilities; demonstrate knowledge and understanding of computer-integrated manufacturing, robotics, and robotics applications within manufacturing systems and computer-based technologies within manufacturing; demonstrate skill and knowledge of devices and circuits, electrical construction, digital electronics and micro processors; demonstrate an understanding and skill with programmable logic controllers, fluid power systems and pneumatic and hydraulic systems; demonstrate knowledge and understanding of computer-integrated manufacturing and robotics; demonstrate understanding of concepts of statistical process control and quality control; demonstrate competencies in the safe and effective use of machines, tools and materials in manufacturing; demonstrate an understanding of CAD/CAM and CNC; engage in meaningful hands-on, minds-on and conceptual based machine tool activities; and demonstrate an understanding and apply skills in metallurgy.

In the Service Industries Sector, several skill needs were listed. While not intended to be comprehensive or complete, these represent a sampling of necessary skills needed for employability in this sector.

Service Industries Training Needs will require employees to identify accounting production standards in business and industry; identify accounting terms and concepts appropriate to partnerships and corporations; journalize accounting transactions; prepare financial statements; journalize adjusting and closing entries; journalize transactions for the issuance of common and preferred stock, stock subscriptions, treasury bonds, and dividends; prepare uncollectable account entries; identify terms and concepts related to plant assets; identify terms and concepts related to notes; prepare notes receivable entries (interest, acceptance, collection, discounting); prepare vouchers and records; compute inventory by several methods (LIFO, FIFO, average cost, specific identification); amortize bonds using straight line and effective interest methods; interpret financial reports; compute current and quick (acid tests) ratios; compute earnings per share on common stock; explain the impact of labor unions on employment contracts; understand federal and state legislation which affects employment contracts; explain law of agency; understand types of agents and ways created; rights, duties and limitations of agents and how terminated; explain the purpose, terms and costs of insurance by category; explain life insurance and other benefits of employees; understand the benefits of ownership versus lease of real property, and intestacy laws; participate in team building, motivating employees, conflict management, marketing and forecasting/scheduling training.

In the Entrepreneurial Sector, several skill needs were listed. While not intended to be comprehensive or complete, these represent a sampling of necessary skills needed for employability in this sector.

Many of the skills identified for the service industry are also appropriate for entrepreneurs. In addition to those noted above, the following are particularly helpful:

identify components that lead to customer satisfaction/dissatisfaction; identify strategies that maximize profit potential; utilize communication skills; critical thinking skills such as forecasting/scheduling; and time management techniques.

In the Soft Skills Sector, several skill needs were listed. While not intended to be comprehensive or complete, these represent a sampling of necessary skills needed for employability in this sector.

Soft skills will require abilities such as reading, processing information; following directions; reading material and describing concepts; using correct spelling and pronunciation; writing with accuracy, brevity and clarity; possessing basic computer keyboarding skills; understanding the basics of interpersonal communication such as listening, writing, and speaking; understanding team concepts; organizing materials in a logical flow; interpreting and clarifying directions prepared by others; and utilizing time management, teamwork and team building skills.

In the Quality Skills Sector, several skill needs were listed. While not intended to be comprehensive or complete, these represent a sampling of necessary skills needed for employability in this sector.

Quality Skills will require just-in-time training, ability to work with minimal supervision, ability to accept constructive criticism, demonstrate a willingness to learn and work, and the ability to complete tasks on time and with accuracy.

**7. Pages 18-19-III.B.1.a.i, ii. & iii. The plan identifies groups represented on the State Board but does not identify organizations or entities, nor does it identify numbers from groups. The plan should include a complete categorical and numeric composition of the board. Additionally, the plan does not indicate that the procedures ensure that members have optimum policy authority or that diverse regions are represented.**

The 25 member Kentucky Workforce Investment Board is comprised of Governor Paul Patton (Section 111(b)(1)(A) of the Act); two members of each chamber of the state legislature (Section 111 (b)(1)(B) of the Act); 13 representatives of business in the state (Section 111 (b)(1)(C)(i)(I-III) of the Act); two chief elected officials representing both cities and counties (Section 111 (b)(1)(C)(ii) of the Act); a representative of labor organizations (Section 111 (b)(1)(C)(iii) of the Act); a representative of organizations with youth activities experience (Section 111 (b)(1)(C)(iv) of the Act); a representative of organizations with experience and expertise in the delivery of workforce investment activities (Section 111 (b)(1)(C)(v) of the Act); a lead state agency official (Section 111 (b)(1)(C)(iv)(I-II) of the Act); and an other representative designated by the Governor (Section 111 (b)(1)(C)(vii) of the Act). This cosmopolitan group incorporates those with optimum policy-making authority who represent both rural and urban interests. Included among the board's membership are minorities and both genders, as well as an individual with a disability.

Given that the interim final regulations (April 1999) are in place and are clear regarding membership in Sections 111(b)(1)(C)(iii) and (v) of the Act, additional appointments to the KWIB are essential and will be made. These will likely occur during the KWIB's summer 1999 meeting.

8. Page 19-III.B.1.a.v. Additional information is needed on how the State Board will coordinate with and interact with local boards.

The WIA Implementation Team will take recommendations to the Cabinet for Workforce Development Secretary, a member of the Kentucky Workforce Investment Board (KWIB). Local WIB staff sit on the WIA Implementation Team, thus providing an avenue for concerns and issues to be raised at both levels. Subcommittees of the WIA Implementation Team are focusing on such issues as accountability, a key concern of the KWIB. It is anticipated that recommendations from that group will go to the KWIB's Accountability Committee in the future. The subcommittees have local board staff as members. As the KWIB is driven by accountability, it will want to hear from local board members, chairs, and staff on a regular basis as to how the implementation process is being carried out.

The KWIB's schedule is in place through the year 2000, which should allow local board members ample opportunity to arrange their schedules to be able to attend KWIB meetings. In addition, the KWIB has expressed a desire to conduct its meetings in locations around the state, thus giving local boards a chance to showcase various programs in their areas.

A series of meetings is being proposed between the local WIB chairs and the Cabinet for Workforce Development Secretary, a KWIB member, to facilitate communication and dialog between the groups. The KWIB Chair could be invited to these meetings.

Staff assisting the KWIB, i.e. the Office of Training and ReEmployment, will be attending a number of local board meetings on an ongoing basis.

Finally, it is anticipated that some KWIB members will in fact be members of local workforce investment boards.

**9. Page 19-III.B.1.a.vi. The plan needs to describe how the State Board will ensure public access to board meetings and information on board activities (including access in multiple and alternative formats for individuals with disabilities).**

The announcement of all KWIB meetings, and any committee or subcommittees thereof, will be held in accordance with the open meetings and open records statutes, KRS 61.805 – 61.850. The Cabinet for Workforce Development's Office of Communications is responsible for ensuring that appropriate notice is given relative to the aforementioned statutes. The Office of Training and ReEmployment, the agency responsible supporting for KWIB activity, will ensure that the meeting locations are convenient to the public and that meeting information/materials are available in multiple and alternative formats.

**10. Page 21-22-IIIB.1.d.i. & iii. The State's description of the allocation basis is in error in the first paragraph. The plan should note that there will be no breakout of youth funds for the following years.**

Kentucky understands that there will not be a separate funding stream for summer youth after the first year of the plan. It agrees that during the following four years of the plan that

there will be no breakout of youth funds between “youth” and “summer youth” and that the local areas will receive one youth allocation.

**11. Page 22-23-III.B.1.e. The plan does not describe the competitive/noncompetitive process for grants and contracts; it merely cites state code. The plan should briefly describe the process and how bidders and offerors will be made aware of the availability of grants/contracts.**

The following is a description of the competitive/noncompetitive procurement process for grants and contracts.

**Competitive sealed bidding (KRS 45A.080)**

Contracts exceeding the amount provided by KRS 45A.100 (\$1,000) shall be awarded by competitive sealed bidding unless it is determined in writing that this method is not practicable.

The invitation for bids shall state whether the award shall be made on the basis of the lowest bid price or the lowest evaluated bid price. If the latter basis is used, the objective measurable criteria to be utilized shall be set forth in the invitation for bids.

Adequate public notice of the invitation for bids shall be given a sufficient time prior to the date set forth therein for the opening of the bids. The notice shall include publication in a newspaper or newspapers of general circulation in the state not less than seven (7) days before the date set for the opening of the bids.

Bids shall be opened publicly at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder and the agency's estimate, shall be recorded and open to the public for inspection.

The contract shall be awarded with reasonable promptness by written notice to the responsive and responsible bidder whose bid is either the lowest bid price or lowest evaluated bid price.

Correction or withdrawal of bids may be allowed only to the extent permitted by regulations issued by the Kentucky Secretary of Finance and Administration (secretary).

**Competitive negotiation (KRS 45A.085 and 45A.090)**

When, under regulations issued by the secretary, the purchasing officer determines in writing that the use of competitive sealed bidding is not practical, and except as provided in KRS 45A.095, a contract may be awarded by competitive negotiation.

Adequate public notice of the request for proposals shall be given in the same manner and circumstances as provided in KRS 45A.080.



Contracts may be competitively negotiated when it is determined in writing by the purchasing officer when the bid prices received by competitive bidding either are unreasonable as to all or part of the requirements, or were not independently reached in open competition.

Awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the Commonwealth, taking into consideration price and the evaluation factors set forth in the request for proposals.

Written or oral discussions shall be conducted with all responsible offerors who submit proposals determined in writing to be reasonably susceptible of being selected for award. Discussions shall not disclose any information derived from proposals submitted by competing offerors.

### **Noncompetitive negotiation (KRS 45A.095)**

A contract may be made by noncompetitive negotiation only for sole source purchases, or when competition is not feasible, as determined by the purchasing officer in writing prior to award, under regulations issued by the Kentucky Secretary of Finance and Administration, or when emergency conditions exist.

Sole source is a situation in which there is only one (1) known supplier of a commodity or service, occasioned by the unique nature of the requirement, the supplier, or market conditions.

Insofar as it is practical, no less than three (3) suppliers shall be solicited to submit written or oral quotations whenever it is determined that competitive sealed bidding is not feasible.

Award shall be made to the supplier offering the lowest acceptable quotation.

### **Small Purchases (KRS 45A.100)**

Procurement may be made in accordance with small purchase administrative regulations promulgated by the Kentucky Secretary of Finance and Administration up to \$1,000 for purchases by any state governmental body.

Procurement requirements shall not be artificially divided so as to constitute a small purchase.

Purchases between \$500 and \$1,000 require the agency to obtain and document three (3) or more price quotations from qualified sources.

**Office of Training and ReEmployment Bidder's List**

The Office of Training and ReEmployment (OTR) has established and maintained a list of potential bidders who have expressed interest in providing training and/or training-related services to Kentucky. These potential bidders are notified by letter of the upcoming issuance of a request for proposal (RFP) for services. Any interested bidders can contact OTR to receive a complete RFP package that provides bidding information on the services being requested. The list contains potential bidders from all areas of the nation who have requested inclusion on the list or who have submitted proposals to OTR in the past.

The notification sent to potential bidders on OTR's list is in addition to the public notice via newspaper advertisement required in the various sections of the KRS cited above.

**12. Page 23-III.B.1.f. The plan does not include criteria used by the Governor and local boards for identifying effective and ineffective youth activities and providers of youth activities.**

The Governor will work in concert with the KWIB to determine effective and ineffective youth activities as well as acceptable levels of performance for providers of youth activities. To assist with this process, the state's implementation work group, which includes representatives of both mandatory and voluntary one-stop partners, has established a youth subcommittee that will provide recommendations to the KWIB and Governor.

Among those that may be considered for possible recommendation to the Governor and KWIB are:

- provider's experience in implementing activities that supports youth educational development and provides employment preparation and internships;
- provider's approach to delivering youth activities that are based on youth development rather than a problem-centered approach;
- providers that offer a full range of services and opportunities for youth to develop new skills;
- provider's experience in connecting youth to caring adults (nonstaff) and the ability to support those connections;
- provider's experience in placing youth in supported leadership positions through which they are exposed to the challenges and satisfactions of collaborating with others to explore options, make decisions, and achieve positive outcomes;
- provider's experience in collaboration with other youth service providers to develop strategies for moving toward a youth development approach to helping youth within the community;
- provider's experience with involving youth, families and the community in designing, implementing, and evaluating youth development services; and
- provider's experience in working with the community to create and communicate a vision of what is necessary for positive development of youth.

The local youth council will recommend eligible providers of youth activities, conduct oversight of the providers of youth activities, and coordinate the youth activities and other youth-related activities that the local board may require of the youth council.

Providers of youth activities will meet Kentucky's accountability requirements along with the negotiated performance standards. The appropriate procurement procedures will be in compliance with Kentucky's Model Procurement Code guidelines. Specific criteria will be developed for each local area by its youth council.

**13. Page 32-III.B.2.b. Additional information is needed assessing the degree of existing collaboration between programs. Specifically, information is needed regarding Community Service Block Grant, HUD employment and training activities, and employment service (Wagner-Peyser).**

Currently the state Wagner-Peyser agency, DES, works closely with the HUD employment and training programs in labor exchange and job placement activities through both the existing local office network and participation with existing one-stop career centers. Job seekers are referred by local housing authorities to DES for job placement and other labor exchange services. Local recipients of Community Service Block Grants, such as community action agencies, are using the existing one-stop career centers to assist their customers. It is envisioned that both agencies on the local level will be active participants in the career center under WIA.

**14. Page 34-III.B.3.a.i. No list and/or map of the state's workforce investment areas was provided. Additionally, the plan should specifically identify SDAs automatically designated and those receiving temporary designation.**

A local Workforce Investment Area map is attached. As originally noted in our plan, the KWIB conferred full designation on all 11 local workforce investment areas. While some were eligible for temporary designation pursuant to Sections 116(a)(3)(A) and 116(a)(1)(ii), and the Eastern Kentucky Concentrated Employment Program was eligible for automatic designation as specified in Section 116(a)(2)(B) of the Act, none applied for temporary designation, opting to seek designation under section (4) Designation on Recommendation of State Board. The KWIB determined full designation for each of the 11 local areas to be the most expedient course of action, enabling continuity of service provision for our customers.

**15. Page 35-III.B.3.a.iii. A description of the appeals process should be provided in regard to appeals of local area designation.**

Grievance procedures for state-operated programs and for resolution of area-level complaints have been developed and will be distributed to local workforce areas for use as of July 1, 1999. These procedures require an independent review and/or an appeals process for adverse decisions or in cases where no decision is issued within the specified timeframe. Until the WIA grievance procedures are issued and become effective on July 1, 1999, the current JTPA Grievance Procedures provide for much the same system of adjudication. In both cases, under JTPA and WIA, interested parties have one year to file a grievance, to request an independent review, and to have a hearing if an adverse decision or no decision has been reached within the specified timeframes. Forms for filing either a grievance or an appeal are provided with the procedures. These procedures also allow for

filing an appeal with the U.S. DOL only in cases in which the OTR Appeals Agency fails to issue a decision with 30 days. The name and address of the regional administrator is provided in the procedures. The procedures also describe processes for adjudicating complaints alleging discrimination and adjust the time frame for such complaints to 180 days from the date of the discriminatory action. It provides the address for filing such complaints with the Directorate of Civil Rights (DCR) in addition to OTR. These procedures also contain the requirements for notifying potential grievants of their rights and responsibilities.

**16. Page 38-III.B.3.c.i. The procedures described reference state statutes. The plan should provide a description of the appeal process in regard to denial of training provider eligibility. Describe both the local and state processes.**

Grievance procedures described in the response to item 15 apply to participants, potential participants, interested parties, and others affected by state or local action including denial of training provider eligibility.

**17. Page 39-III.B.3.c.v. Additional information is requested on the state's current capacity to provide customer access to training provider information and related performance.**

Recently, the Commonwealth launched a health, employment and human service database making simplified access to those services possible. The Kentucky Resource Directory, an EMPOWER Kentucky initiative, is an Internet accessible human resource and service directory. At this time, it contains health, human and employment related information from more than 18,000 service providers. Those providers represent more than 50,000 services available across the Commonwealth, and information such as detailed descriptions of the services and facilities that are ADA accessible to persons with disabilities, service fees, hours of operation, and maps to the resource location are available via the Kentucky Resource Directory. This will serve until a centralized database is initiated. At that point, the Office of Training and ReEmployment, WIA administrative agency for Kentucky, will maintain the statewide list of providers of training services in the centralized database.

Kentucky has also hosted a presentation on the Consumer Report System as the Commonwealth reviews emerging options for this mandatory element of WIA.

**18. Page 39-III.B.3.c.vi. The description of the process for removing training providers from the list of eligibles should also reference the state and local appeal process.**

The procedures for certifying training providers will include a reference to grievance procedures (see item 15) that may be used by providers to appeal an adverse decision.

**19. Page 39-III.B.3.d. Additional information is requested which addresses the current LMI state infrastructure and how the state has built on existing products and systems to enhance employment statistics.**

The Kentucky Department for Employment Services (DES) serves as the provider of labor market information for employers and job seekers in the state. DES has been designated as the State Employment Statistics agency under the Workforce Investment Act. By this designation the state will be able to build on its current labor market information infrastructure in the development of new products and systems under WIA. The Workforce Investment System will build on DES's experience and expertise prior to the development of any new labor market information systems.

**20. Page 40-III.B.3.e. The plan should describe how the work test and feedback requirements for UI claimants are met and elaborate on the KEWES system as necessary. The plan should describe how information regarding UI claimant registration, job referrals and the result of such referrals are provided to the UI administrative agency.**

DES stresses the importance of placing individuals receiving unemployment insurance (UI) benefits. All claimants who are required to register with the public employment service are offered the full array of services available to them. Under a new Kentucky initiative, Kentucky's Electronic Workplace for the Employment Service (KEWES), these claimants are being provided case management services by DES staff to insure early intervention and direction to assist them in obtaining employment. This insures a stable trust fund and a pool of qualified workers for employers. Data concerning work registration, job referral and results from these referrals is transmitted locally within DES via information technology to insure proper action to comply with UI law. On a statewide basis, both the employment service and unemployment insurance are housed within the same department. In most cases cross-trained staff deliver both programs. This allows for complete and comprehensive reporting of these results. This data is compiled on a monthly basis and distributed to the network of local offices as well as the UI administrative agency.

**21. Page 49-50-IV.A.2. Additional information is requested which lists any policy requirements of the One-Stop systems and which addresses any One-Stop weaknesses identified in the plan.**

Currently, under the auspices of the WIA Implementation committee, a One-Stop subcommittee is addressing the development of policies as they relate to agencies housed across several cabinets of state government and local implementation of WIA. These will be forwarded to Secretary of the Cabinet for Workforce Development, a KWIB member, for review and eventual recommendation to the KWIB. Some of these will address issues that can be considered as challenges for not only One-Stop, but also the entire employment and training arena. Most critical is the area of confidentiality. While the KWIB and Kentucky can negotiate and agree to share certain customer information, many agencies are bound by federal limitations on what they can or cannot do.

Cost-allocation is another challenging issue at local, state and federal levels. Integral to achieving the ultimate goals and optimal growth of local WIA systems will be the ability or inability to blend and maximize all dollars.

The lack of existing technology adequate to accommodate WIA is another national deficiency. Kentucky has a skeletal framework that will allow the rudimentary sharing of customer information, referral and coordination of services and statewide access to services available via the Internet.

Finally, facility issues are complex and often beyond the scope of local/state agency authority to resolve (i.e. Reed Act buildings). These will have direct impact on the ability to co-locate and co-house services at the local level. Once again, this will require intervention and resolution at the federal level.

Other topics currently under discussion for potential policy recommendations include the definition of core and intensive services, basic intake and referral, cross training, and one-stop operator issues.

As the statewide workforce investment system matures, the need for additional policies will be processed through the Secretary for the Cabinet for Workforce Development, a KWIB member, who serves as the intermediary between the KWIB and one-stop partners.

**22. Page 52-IV.B.1. Additional information is requested describing the intended use for the state's 15 percent funds.**

Kentucky is currently in the midst of conversations as to the most beneficial use of the 15 percent Governor's discretionary dollars. There are three primary issues being considered at this time, each of which will impact on the final decisions:

1. Programs formerly funded through the 8% Education and Coordination Set-Aside
2. Continuing layoffs in some areas despite a robust economy in others, and
3. Administrative requirements.

At this point, the intent is to pool the dollars from the three funding streams. It appears that all of the dollars available for administration will be used to fund the state's administrative entity, pay for the expenses of the Kentucky Workforce Investment Board, and pay for transition costs related to the management information system changes etc.

A small amount of the Governor's discretionary dollars may be needed to supplement this pending unforeseen MIS costs and additional monitoring costs.

Kentucky suffered a 39 percent cut in dislocated worker funds for the period beginning July 1, 1999. Despite a healthy economy, there are a number of projected layoffs that will require use of any available 10 percent funding. Unofficial requests to date would indicate that Kentucky would have no choice but to pursue funding from the National Reserve Grant funds.

Kentucky is making a commitment to continue funding of at least part of the current Jobs for America's Graduates program being operated by the Kentucky Department of Education. Continuing high dropout rates within the state point to a need in this area. Pending the needs described above, additional youth programs may be looked at for funding from the Governor's discretionary funds.

**23. Page 53-IV.B.2. Additional information is requested describing how services by each of the required and optional One-Stop partners will be made available and coordinated through the One-Stop system. The plan does not address how Wagner-Peyser Act-funded services will be coordinated with those of other partners to avoid duplication of labor exchange services in the One-Stop system.**

With the federal One-Stop Career Center System grant, Kentucky took a very strong approach to local design and delivery. Flexibility to design local systems was integral to that plan, enabling local centers to maximize their resources while considering local limitations. Under this system, Kentucky defined a comprehensive One-Stop Center as having information on and referral to core services including unemployment insurance, employment services, JTPA, vocational rehabilitation including Kentucky's Department for the Blind, adult education and literacy, veterans, migrant and seasonal, and older workers. The local areas were then allowed to best determine how to accomplish this objective encouraged to be creative in their involvement of other partners such as welfare agencies, Job Corps, family and youth service centers, community colleges/technical schools, etc. Under this One-Stop system, many providers have either a full-time or itinerant presence in the current comprehensive centers. Many satellite locations are actually housed in partner sites. The alternative to the constraint of space and staff limitations is electronic connectivity via the Internet and network system. Consequently, dynamic and unique systems have emerged based upon community needs. The local Workforce Investment Areas will evaluate what currently exists, identify the new, required partners, and continue to work toward addressing the needs of their local communities.

The concept of coordinating services is directly linked to the development of supportive technology. Kentucky is devising a system to connect all workforce partners, which, as currently envisioned, will allow electronic referrals and scheduling as well as follow up and the sharing of information. This initiative, Employ Kentucky, is currently beginning the pilot projects implementation phase across the state.

However, the emergence of the federal One-Stop Operating System brings about opportunities to expand and enhance the connectivity of all agencies and the sharing of client information across program boundaries. Kentucky is researching and evaluating this opportunity as information becomes available. It is anticipated that by September 1999 more will be known about the capabilities and potential viability of this system. Until that time, Kentucky will move forward in implementing the Employ Kentucky Network.

Not limited to a social service directory, the Kentucky Resource Directory includes information on one-stop centers and workforce and education/training which enables both agency and customer access to service providers across the entire state. This allows a more efficient mechanism for providing comprehensive assistance to customers and reducing redundancy.

Labor exchange functions in one-stops will be performed by DES staff utilizing Wagner-Peyser funds to avoid both duplication and the unnecessary use of WIA funds.

Finally, Employ Kentucky training is being conducted to facilitate service coordination. The initial phase of training provides opportunities for staff from multiple agencies to come together and experience scenarios where clients require multiple services from various agencies. This begins the concept of working to identify which agency can provide the needed service and eliminating unnecessary duplication of effort, while initiating the local process of streamlining and coordinating assistance. A state-level group has been formed to provide input on one-stop issues to the Kentucky Workforce Investment Board's WIA Implementation Committee. Many topics such as this will be discussed via this group over the coming months; however, much of this must be a local decision and those local discussions have been occurring with various degrees of success throughout the state under the auspices of the One-Stop initiative.

**24. No question forwarded by USDOL for response.**

**25. No question forwarded by USDOL for response.**

**26. Page 53-IV.B.3. The plan does not describe how funding streams will be used to coordinate and leverage other funds, including discussion and examples of how this coordination and leveraging will lead to a more effective program that encourages individuals and employers to become involved in the One-Stop system. Additionally, the plan does not specify how the 7(b) Wagner-Peyser Act funds will be used.**

Currently on-going one-stop operations are underwritten by the agencies involved in the delivery of services, through direct provision of service, equipment, supplies, training and facilities. Kentucky's One-Stop initiative requires that all former comprehensive centers be self-sustaining at the end of their local grant agreements.

Several of the early implementing One-Stop centers had begun to explore generating additional funds through a variety of creative processes, which in turn were funneled back into the system. Some resulting benefits included expanded customer resources, additional staff such as greeters and center coordinators, enhanced/customized services to employers, marketing, and additional equipment.

As Kentucky's local areas evaluate and examine the placement of the WIA one-stops, the leveraging of this type of investment will result in many similar rewards. As WIA encourages local ownership of service delivery, this type of process must be a local decision.

The Governor's Ten Percent Set Aside of Wagner-Peyser Act funds, 7(b) funds, will continue to be used by DES for services to profile unemployment insurance (UI) claimants. DES is performing case management activities in order to provide ongoing monitoring of UI claimants work search activities and successes. These funds will also continue to be used to provide employer services above and beyond basic labor exchange functions such as marketing the services of DES, America's Job Bank, America's Talent Bank and the DES home page on the internet which provides extensive labor market information. In response to employers' preference for more individualized service, DES will use a limited amount of these funds to develop pilot projects to better serve customers.



**27. Page 54-IV.B.4. The plan should describe how services will be made available to those with special needs, including MSFWs, women, minorities, and individuals with multiple barriers.**

Services to MSFWs, women, minorities and individuals with multiple barriers will be made available at the local workforce area level through the one-stop system and through the procurement process when services available through the one-stop are not adequate.

**28. Page 27 and 56-Section IV.B.5. What criteria has the state established to determine that adult funds are limited and priority of service will apply?**

As indicated in the plan, the state has given priority for service to recipients of public assistance and other low-income individuals for intensive and training services when funds are limited. Persons with disabilities will be afforded opportunities for training activities designed to improve participation in the workforce and to lead to higher earnings for those who complete them. Individuals with multiple barriers to employment and training will be afforded opportunities for participation in training activities designed to improve participation in the workforce and to lead to higher earnings for individuals who successfully complete them. Such activities will be provided in the context of the state's vision to provide universal access for all customers. Kentucky envisions that the priority of service policy will be implemented since it is not expected that funds will be available to serve every individual eligible to receive services.

**29. Page 56-IV.B.6. The plan indicates that One-Stop staff will be trained in administration of federal tax cut programs. The Work Opportunity Tax Credit statute specifically designates the State Employment Security Agencies as the agencies which will certify the tax credits under WOTC. Please clarify who will administer the WOTC program.**

In Kentucky, the Department for Community Based Services (CBS), the state agency responsible for administering the Temporary Assistance for Needy Families (TANF) program, and the Department for Employment Services (DES) have formed a partnership to move welfare recipients into work. In general, CBS determines eligibility for TANF benefits and refers welfare recipients to DES for placement services such as assessment, job search workshops, group job search, job development and referral to available job openings. DES staff assigned to provide these services to welfare recipients have been trained to determine eligibility for the Work Opportunity Tax Credit (WOTC) and Welfare-to-Work Tax Credit (WWTC) programs and to issue conditional certification forms to those who meet eligibility criteria. As the WOTC statute specifically designates DES as the agency to certify tax credits under WOTC, DES will continue to administer this program.

**30. Page 57-IV.B.7. The plan should provide a detailed description concerning feedback to UI on worker profiling, specifically eligibility and mandatory participation.**

Through both the worker profiling program and case management of unemployment insurance (UI) claimants, state Wagner-Peyser staff will continue to provide feedback to the UI agency on worker profiling. Claimants who do not participate are referred to UI staff to

conduct a fact-finding interview to determine continuing eligibility to receive benefits. Those claimants who are deemed mandatory participants and who choose not to participate may have their benefits terminated or suspended until they have agreed to participate.

31. Page 57-IV.B.8. The plan does not specifically describe Wagner-Peyser-funded strategies to serve people with disabilities in accordance with Section 8b.

As a condition to receiving funds under the Wagner-Peyser Act, as amended, the Kentucky Department for Employment Services (DES), agrees to the following:

- a. The Kentucky agency will comply with the Wagner-Peyser Act, as amended, and with all rules and regulations;
- b. The Kentucky agency will promote and develop employment opportunities for persons with disabilities and will provide job counseling and placement services for these individuals;
- c. The Kentucky agency will designate at least one person in each field office whose duties will include providing services and assistance for individuals with disabilities. This staff person will also be responsible for providing these services in the comprehensive center.
- d. The Kentucky agency will cooperate with the Governor's advisor for the Americans with Disabilities Act, the Kentucky Committee on Individuals with Disabilities, the Kentucky Department of Vocational Rehabilitation and the Kentucky Department for the Blind.

**32. Page 58-IV.B.10. The plan should provide clarification on the LVER and DVOP's role. Additionally, on pages 27, 33 and 34, the priority of service for veterans needs to be reflected correctly. Page 58 correctly lists priority.**

Any One-Stop Career Center offering Wagner-Peyser services or housing Wagner-Peyser staff will provide veterans with priority employment and training services in accordance with United States Code Title 38, Chapters 41 and 42, and 20 CFR 1001.120(a)(b). DVOP/LVER positions shall be filled with state employees and are in addition to and shall not supplant Wagner-Peyser staff in providing priority employment and training services. The grantee will ensure that all of its service delivery points provide priority services to disabled veterans and veterans of the Vietnam-era in the provision of all labor exchange services and specifically, when making referrals to job openings and training opportunities, shall observe the following order of priority:

1. special disabled veterans
2. Vietnam-era veterans
3. disabled veterans other than special disabled veterans
4. all other veterans and eligible persons; and
5. non-veterans

DES will continue to comply with the guidelines and directives as stated in the Special Grant Provisions of the LVER/DVOP grant agreement and encourage all one-stop partners to abide by these provisions. The state will enter into and comply with a negotiated agreement.

The Department of Labor's Veterans Employment and Training Service will monitor and review the provision of services to veterans at each one-stop office at least annually, and provide to the Commissioner for the Department for Employment Services and the one-stop operator an analysis of the findings with recommendations and/or corrective actions.

All local one-stop plans shall incorporate the provisions of the agreement reached between the Secretary, Veterans Employment and Training Services and the state regarding veterans' employment and training issues. However, Kentucky's "Secretary's Agreement" has not yet been submitted.

The plan will be amended on pages 27, 33 and 34 to accurately reflect the correct the priority or service for veterans as follows:

1. special disabled veterans;
2. Vietnam-era veterans;
3. disabled veterans other than special disabled veterans;
4. all other veterans and eligible persons; and
5. non-veterans.

**33. Page 58-IV.B.11. The plan should better articulate how Wagner-Peyser Act-funded services to MSFWs, including outreach and assessment, and services to agricultural employers will be provided.**

The Kentucky Department of Agriculture estimates that there were 88,000 farms in the state in 1998. Tobacco continues to be the largest cash crop for the state and the most lucrative profit center for individual farmers. This crop requires hand labor at three times during the growing cycle for setting, harvesting, and stripping. In 1989, tobacco producers began experiencing labor shortages in some areas of the state and began employing migrant and seasonal farm workers (MSFWs) to meet the labor demands. In 1990, farmers began requesting H-2A workers through DES. H-2A utilization has grown at a rate of about 18 percent per year and now has over 400 participating employers.

While 25,000 workers are required during peak times, 14-18,000 of these will be migrant farm workers during the tobacco harvest season of PY-99.

## OUTREACH

Kentucky will offer 10 core employment and training services through the comprehensive centers and satellites utilizing Wagner-Peyser staff either in person or electronically connected to staff located in DES local offices.

In addition to internal resources, DES maintains relationships with the Kentucky Farmworker Program (402 grantee), the Kentucky Department of Education's migrant education program, the Kentucky Farm Bureau and the University of Kentucky Agricultural Extension Program.

Due to the concentration of activity, Kentucky funds a staff position with a 100 percent time allocation to the Monitor Advocate position.

DES operates an outreach program that was designed to locate, identify, and contact those MSFWs who are not being reached through normal intake activities conducted at the local level. The plan was developed in accordance with federal regulations in 20 CFR 653.107 and includes facilitating outreach services, providing identification of outreach workers, meeting bilingual needs, serving MSFWs through outreach, coordinating with farm worker organizations, and oversight.

## SERVICES TO AGRICULTURAL EMPLOYERS

Services to agricultural employers will continue through both the comprehensive centers and satellites. DES will continue to use local and statewide networks with agricultural employers growers associations, the Department of Agriculture, USDA Farm Service Agencies, Farm Bureau and the Agricultural Extension Service to identify farmers that employ migrant and seasonal labor. DES will also continue linkages with labor supply states in order to supply workers during continuing program years. DES field offices will actively promote availability of agricultural openings and encourage U.S. workers to apply for these jobs. Announcements will be placed in lobbies of all field offices that have agricultural openings and at selected sites that farm workers are likely to frequent.

**34. Page 59-IV.B.12. Additional information is needed describing the strategies to be used to ensure that Wagner-Peyser services are delivered by public merit staffed employees.**

All activities funded under the Wagner-Peyser Act will be delivered by staff who are state merit system employees. This strategy will not allow a violation of the Act regarding the delivery of these services by public merit system employees.

**35. Page 60-IV.B.13. The plan has not fully described the state's system of rapid response including how the state will use WARN Act information to determine when to provide such activities. The roles and responsibilities between the state and local areas have not been specified. How will rapid response funds be allocated and used? Are they going to share activities and/or costs of rapid response? Who will provide what? How will the state's rapid response system activities involve local WIBs and CEOs?**

Within the Office of Training and ReEmployment, three staff are assigned to the State Rapid Response (SRRU) hereafter referred to as the Rapid Response Team (RRT). The RRT was established to meet the basic readjustment and retraining needs of individuals whose employment is scheduled to be terminated by layoffs or plant closings. The team is trained to react quickly, on-site, to permanent closures and substantial layoffs (50 or more individuals) throughout the state to assess the need for appropriate basic readjustment and retraining services. The RRT assesses the need for appropriate basic readjustment and retraining services through LWIBs and in statewide, regional, or industry-wide projects. The RRT provides services to workers regardless of their eligibility for TAA/TRA or NAFTA/TAA.

The OTR/SRRU is the designated state agency to receive WARN letters from employers. When a WARN of a plant closure or significant layoff is received, the RRT immediately, preferably within 48 hours, contacts the employer, union representatives, the LWIB and CEO to schedule on-site visits. The RRT works with the LWIB's rapid response coordinator to assess the situation and develop strategies for assistance.

OTR does not subcontract the responsibility for the rapid response assistance functions of the SRRU. The SRRU is, in all cases, responsible for either directly providing rapid response or for ensuring the rapid response is provided by the LWIB's rapid response coordinator. However, if a conflict occurs and the RRT is already committed, the RRT requests the assistance of the LWIB coordinator. In these instances, the RRT makes the arrangements, identifies the appropriate services, and follows up with telephone contact and/or written correspondence to ensure services were delivered.

In addition to rapid response funds being used for the RRT activities, LWIBs are allocated rapid response funds for local rapid response activities associated with the SRRU activities or for activities performed by the LWIBs in lieu of the SRRU. These funds are allocated to the local workforce areas based on LWIBs' individual needs.

**36. Page 60-IV.B.13.c. The state's plan has indicated that rapid response and early intervention strategies will be carried out in accordance with pending USDOL guidelines and in coordination with LWIBs and LCEOs. Please describe rapid response activities and early intervention strategies.**

The SRRU is responsible for providing rapid response services to plant closures or substantial layoffs of 50 or more workers and all worker dislocations covered under WARN.

When the SRRU receives a WARN letter or becomes aware of a substantial layoff or plant closure, the RRT will contact (preferably within 48 hours) each plant and labor union, local WIB and CEO to coordinate services to affected individuals. A fact sheet on the benefits of formulating an Employer/Employee Transition Assistance Committee (EETAC) is faxed or mailed to all concerned parties for review before the initial on-site visit.

An on-site visit is scheduled with the employer and labor union, when applicable, to provide information on the availability of services and activities under WIA, TAA/TRA, NAFTA-TAA, Clean Air Act, Wagner-Peyser, and other local, state, and federal programs. After the initial visit, group informational meetings are held with the affected workers to orient them to available services. In order to determine customer satisfaction with rapid response services after group informational meetings with affected workers, customer satisfaction surveys are completed. This allows the SRRU to evaluate rapid response services and to develop alternative methods, when indicated, in order to better serve dislocated workers.

Dislocated workers are surveyed to determine the individual needs of each worker. This allows the SRRU and the local WIB to establish a plan of action to serve them.

The RRT promotes the formation of an EETAC and provides training and assistance to the EETAC when a committee is formed. When an EETAC is formed, the RRT member and WIB rapid response coordinator sit as ex-officio members of the committee as staff support and technical resources.

Rapid response services involving layoffs of less than 50 workers are the responsibility of the LWIBs. LWIB plans describe how rapid response services are provided when rapid response is a local responsibility.

The SRRU rapid response policies are issued to the WIBs and CEOs. These policies outline the RRT procedures and coordination involved in performing rapid response. The RRT consists of trained individuals who are capable of quickly planning, organizing, and facilitating on-site services to employers and dislocated workers. The RRT receives training and technical assistance from the USDOL Region IV Office. At the state level, the RRT, as part of OTR, is involved in OTR administration and assists in writing the WIA State Plan. Staff who perform rapid response activities receive training in the following areas:

- a. How to organize a broad-based response to a dislocation event, including coordinating WIA services with other programs available to assist dislocated workers and involving the local WIB and CEO in this effort;
- b. How to provide assistance to EETACs;
- c. How to establish recognition, credibility, and good working relationships with the employer community; and
- d. How to establish recognition, credibility, and good working relationships with employee groups and the labor community.

The RRT provides technical assistance and training on a case-by-case basis and when policy and procedural changes occur at the regional, state, or local level.

The SRRU has a channel, in addition to the WARN, through which the RRT is notified of impending layoffs and closures. The local WIB or DES offices submit a Report of Significant Layoff form when an employer is expecting a permanent closure of a facility or a layoff of 15 or more workers. The information allows the SRRU to provide services in a timely manner. In rare instances in which the RRT is already committed to other rapid response activities, the LWIB provides rapid response activities and charges the cost to the SRRU fund.

**37. IV.B.14. Additional information is needed with regard to the state's process of providing youth services, strategies for serving youth with significant barriers to employment, and what is intended for the 15 percent money? Also, please provide information concerning the method for selecting the youth council.**

Kentucky is well aware of the particular needs of its youth population. As noted in the section on Governor's discretionary funding, dollars are going to be used to continue to fund the Jobs for America's Graduates dropout-prevention program operating in various school districts throughout Kentucky by the Department for Education. It is hoped that this joint effort will increase the chances for lowering a very high drop out rate.

An implementation team of state and local level administrators has devoted a subcommittee to the youth issue. Recommendations from that subcommittee are currently being drafted for review and submission to the Secretary of the Cabinet for Workforce Development, a member of the Kentucky Workforce Investment Board (KWIB). Following that step, it is anticipated that a discussion will ensue with the KWIB as to the best way to use scarce resources in addressing those needs. A number of partners such as the Job Corps and the 4H/Cooperative Extension Service have been enlisted to serve on these groups in the hope of both leveraging available dollars and education others as to current efforts.

By utilizing the current service Delivery area boundaries for the workforce investment boards, many of the current efforts will most likely continue under the new legislation. The local areas have shown considerable interest in putting together their youth councils. The Louisville/Jefferson County area recently held a Youth Symposium to kick off its youth council efforts and featured the head of the USDOL youth programs as the speaker.

**38. Page 64-V.A. The state did not provide information on each core performance indicator and customer satisfaction indicators in Section II as required. The plan should also provide a basis for the state's starting point for each of the performance indicators justified from data sources such as SPIR, wage records or other data. Additional information is also requested on how the state worked with local boards to establish the levels of performance goals; how the levels compare with those of other states; and how the levels will result in improved customer satisfaction and continuous improvement.**

Performance indicator information is based on unemployment insurance records for individuals terminated in the quarter beginning January 1 – March 31, 1998. Unemployment insurance data for the first three categories found in the chart on page 3 of this response spans four quarters beginning with the certification date to determine the pre-program wage information. Unemployment insurance data for the first three categories was also used for the second quarter of 1998 to determine employment rate. The third and fourth quarter information was used to determine the entered employment rate. Fourth quarter wage records for 1998 determined those to be employed and retained.

Regarding how levels compare with those of other states, such information is unavailable to Kentucky at this time due to its status as an early implementing state.

While Kentucky has only established performance measures for the first year of implementation, the Commonwealth's intent is to influence the system toward continuous improvement through increased levels of performance. Kentucky recognizes it is imperative to continuously improve its services to customers so that the Governor's goal to increase the standard of living is achieved.

**39. Page 64-V.B. The plan has not addressed when the state's common data and reporting system will be operational (please provide a time line). Additionally, the plan should describe the data to be collected from the various One-Stop partners, and how the statewide system will have access to this information. The plan should also describe the use of UI quarterly wage records.**

When Kentucky's Strategic Five-Year State Workforce Investment Plan was approved by the KWIB, limited discussions had been held with U.S. Department of Labor officials regarding the One-Stop Operating System (OSOS) as a possible means to enable customer access to the statewide list of eligible training providers. Since then, officials from the Cabinet for Workforce Development have attended meetings regarding OSOS's capabilities at the University of Chicago and at the U.S. DOL Region IV Financial and Administrative Conference in Nashville. Kentucky also hosted a two-day meeting for Richard Hardin and Woody Godfrey regarding OSOS with state officials and local workforce investment area personnel. The Commonwealth is also looking at other potential systems as they are being developed including the Wage Record Interchange System (WRIS), which will provide state Consumer Report Agencies with wage record data from the state Employment Security Agencies in other states since Kentucky will undoubtedly serve clients/customers from its border states.

Kentucky has also formed an Information Technology sub-committee charged with assessing all existing infrastructure and hardware, and determining the necessary information technology requirements so that Kentucky can become WIA-compliant. A basic framework for WIA technology exists now in Kentucky as elements of the required IT are in place.

Options exist for the sharing of customer information between agencies. These include

- electronic connectivity between many one-stop partners, enabling electronic referrals;
- the capacity to access services for both staff and clients via the Internet;
- the Kentucky Resource Directory, which could be expanded to include training provider information;
- the Employ Kentucky Network project, which allows coordinated client intake, referral and assessment/testing;
- Kentucky's Electronic Workplace for the Employment Services (KEWES), which will automate workload distribution through document-driven workflow and the distribution telephone call system which will ensure workload equalization among staff and among offices statewide;
- the LMI/KOICC web sites, platforms on which the Employment Statistics System will be built;
- and the Bluegrass State Skills Corporation's web site, which will allow employers to apply for on-line training grants with the Cabinet for Economic Development, matching employers with applicable service training providers.

Moreover, Kentucky's efforts continue to reap the impressive benefits of the Governor's EMPOWER Kentucky project, most expressly the Simplified Access for Commonwealth Services initiatives. Included in these are:

- a data warehousing project, WISAR, which includes client information and data elements from Kentucky's Department for Employment Services, the Cabinet for Families and Children and the Cabinet for Health and Human Services.



- the Employ Kentucky Network (previously described)
- the Kentucky Resource Directory (previously described)
- And telecommuting/virtual office pilot initiatives in the Cabinet for Families and Children that will outstation case workers, allowing more time to be spent in the field with customers/clients.

The state will also utilize the UI wage database in determining the success of customers who have gone through the system. This information will be accessed and compiled by staff who has statutory access to the data. Only under conditions clearly set forth in law will this information be used under WIA.

**40. Page 64-V.D. The plan has not addressed the action of the Governor and the state board to ensure collaboration and improve coordination.**

Thus far, the KWIB has had three meetings, two of which focused on organizational issues and the review, comment and approval of the State Plan. Major issue discussions such as strategies for continuous improvement and broad policy decisions have yet to occur. However, with implementation set to commence on July 1, 1999, the KWIB, in consultation with the Governor, will focus its attention during upcoming meetings on such issues. This should facilitate improved collaboration begun with the implementation of the current one-stop centers.

The most recent KWIB meeting included presentations from Local Workforce Investment Areas regarding their proposed plans of action.

**41. Provide the status of current JTPA waivers, and indicate if you want them to continue.**

The only currently valid JTPA waiver that Kentucky wishes to continue under WIA is the administrative cost limitation waiver from 15 percent to 20 percent. The other JTPA waivers are no longer relevant, nor are they necessary under WIA.

September 24, 1999

Mr. Toussaint L. Hayes, Regional Administrator  
U.S. Department of Labor  
Employment and Training Administration  
Room 6M12-61 Forsyth Street, S.W.  
Atlanta, Georgia 30303

Dear Mr. Hayes:

We are in receipt of your correspondence of June 30, 1999 concerning issues identified in Kentucky's Five-Year Strategic Plan for Workforce Investment. These issues have been addressed and are attached.

Kentucky is diligently working toward a substantial implementation of Workforce Investment Act activities by September 30, 1999. We trust the attached information is sufficient to address the Department of Labor's concerns so that a fully approved plan will be in place at that time.

Please call Bill Gaunce, executive director of the Office of Training and ReEmployment at 502/564-5360 if you have any questions or concerns regarding Kentucky's response.

Sincerely,

Allen D. Rose  
Secretary

September 24, 1999

Mr. Raymond L. Bramucci  
Assistant Secretary  
U.S. Department of Labor  
Employment and Training Administration  
200 Constitution Avenue, NW, Room S-5513  
Washington, D.C. 20210

Dear Mr. Bramucci:

We are in receipt of your correspondence of June 30, 1999 concerning issues identified in Kentucky's Five-Year Strategic Plan for Workforce Investment. These issues have been addressed and are attached.

Kentucky is diligently working toward a substantial implementation of Workforce Investment Act activities by September 30, 1999. We trust the attached information is sufficient to address the Department of Labor's concerns so that a fully approved plan will be in place at that time.

Please call Bill Gaunce, executive director of the Office of Training and ReEmployment at 502/564-5360 if you have any questions or concerns regarding Kentucky's response.

Sincerely,

Allen D. Rose  
Secretary

**Page 12-II.C. The State's response of June 21, 1999 to our letter of May 24, 1999 included a table on page 3 which contains preliminary performance levels prior to the Department's comparison with other state-adjusted levels of performance. The Kentucky state-adjusted performance levels must be renegotiated based on comparison of levels for other early implementing states as required in the WIA legislation must be incorporated into the plan for the first year.**

Staff from Kentucky's Office of Training and ReEmployment met with regional and national USDOL staff on September 10, 1999 in Atlanta to discuss the status of Kentucky's performance goals, submitted to USDOL with correspondence dated June 28, 1999. Based on information shared at this meeting, Kentucky is in the process of reevaluating performance goals, for possible revision. Such revisions will be submitted by September 30, 1999 under separate cover.

**Pages 18-19—III.B.1.a.i, ii, & iii The state's response indicates that the board membership does not currently reflect WIA requirements and that additional appointments will be made during the board's summer 1999 meeting. The state must provide a time line (month/year) for completion of board appointments and provide additional information as previously requested on board composition as well as provide a description of the state's procedures which ensure that members have optimum policy authority and that diverse regions are represented.**

Our earlier response indicated that additional appointments were likely to occur during the Kentucky Workforce Investment Board's (KWIB) summer 1999 meeting. We now anticipate that the appointment of additional members will occur by the end of December 1999.

In accordance with Section 111 (b)(1)(A-C) of the Act, a complete categorical and numeric composition of the KWIB was included in the previous response as requested. However as the issue of board composition has arisen again, we may only assume you are seeking the names and organizational representation of each member. The list follows:

John Adams, State Representative  
David Armstrong, Mayor, City of Louisville  
James Baker, retired  
Charlie Borders, State Senator  
Frank Butler, Business Manager/Financial Secretary, Local Union 212 IBEW  
Larry Clark, State Representative  
Bill Clouse, Chair, Christian County/Hopkinsville Training and Employment for the Disabled  
Martha Layne Collins, Georgetown College  
Dudley Cooper, Ohio County Judge/Executive

Michael E. Garrison, Business/Service Representative, Kentucky State District Council of Carpenters  
Margaret Grissom, President/CEO, Bowling Green/Warren County Chamber of Commerce  
Elmo Head, Director, Kentucky Youth Challenge  
Billy Jackson, General Motors Corporation, Corvette Plant  
Doug Kuelpman, Vice President, United Parcel Service Airlines  
Robert Kustra, President, Eastern Kentucky University  
Dale Lafferre, Business Manager, Pipefitters Local Union 522  
Michael B. McCall, President, Kentucky Community and Technical College  
Kay Meurer, President, Meurer Office Furnishings  
Ken Oilschlager, President/CEO, Kentucky Chamber of Commerce  
Paul E. Patton, Governor  
Joey Pendleton, State Senator  
A.V. Rash, Manager for Economic Development, American Electric Power of Kentucky  
Ben Richmond, President/CEO, Louisville Urban League  
E. C. Roberts, Jr., President, BellSouth of Kentucky  
Allen Rose, Secretary, Kentucky Cabinet for Workforce Development

Kentucky will select individuals with optimum policy-making authority for inclusion on the Kentucky Workforce Investment Board by soliciting names from business, labor, education leaders and others throughout the state. Candidate background must demonstrate a significant level of policy and decision-making authority within the appropriate organization. Decisions regarding appointment will include such factors as demographic representation, geographical considerations such as urban/rural/suburban and assurances that all regions of the state are represented, and representation of the entities outlined in Section 111 (b)(1)(A-C) of the Act.

**Page 23—III.B.1.f. The plan does not include criteria used by the Governor and local boards for identifying effective and ineffective youth activities and providers of youth activities. Page 11 of the state's response indicates that the Governor will work in concert with the state board to determine effective and ineffective youth activities as well as acceptable levels of performance for providers of youth activities. A youth subcommittee will provide recommendations. The state must provide a time line (month/year) for the completion of the criteria and provide it for inclusion in the plan.**

Specific criteria for identification of effective and ineffective youth activities have not yet been developed for use on a statewide basis. A variety of entities and individuals including the state-level Youth Subcommittee and newly forming local WIA Youth Councils are attempting to address this issue. Until state guidance is developed and issued, local WIBs are relying upon previous JTPA experience to direct them toward historically successful approaches and providers. This historical data will serve as the foundation for the development/issuance of requests for proposals (RFP's) and the subsequent award of contracts for youth services at the local level.

**Page 35—III.B.3.a.iii A description of the appeals process should be provided in regard to appeals of local area designation. The state’s response indicates grievance procedures have been developed and will be distributed to local workforce areas for use as of July 1, 1999. However, it also indicates that the current JTPA grievance procedures provide for much the same system of adjudication. The state must provide a description of the process and time line (month/year) for adopting appropriate appeals procedures in regard to appeals of local area designation (reference Section 116(a)(5)).**

All requests for local area designation received by the Governor were approved. However, the state will develop an appeals process regarding local area designation for any future designation or redesignation issues. This process should be developed by June 30, 2000.

**Page 38—III.B.3.c.i The plan must provide a description of the appeals process in regard to denial of training provider eligibility (reference Section 122(g)). Describe both the local and state processes. The state’s response to our initial request for additional information references their response regarding the appeals of local area designation. Under WIA, these are different appeals processes which must be specified in the state plan. Please also provide a time line (month/year) for implementing appropriate appeals procedures.**

Training providers can have a training program denied inclusion on the statewide training provider list first by the Local Workforce Investment Board (LWIB) or later by the Office of Training and ReEmployment (OTR). Additionally, OTR also has the right to remove the training provider from the training provider list if it is determined that the provider knowingly supplied inaccurate information or otherwise violated requirements under the Workforce Investment Act. The training provider has appeal rights when a training program is denied inclusion on the statewide training provider list (either by the LWIB or OTR). The denial letter will be mailed (either by the LWIB or OTR) to the training provider at the address listed on the application and to the attention of the contact person identified on the application; will clearly display the “date mailed” on the denial notice; and will clearly identify the program that was denied and the specific reason for the denial. The denial notice will also clearly state that the training entity has the right to appeal within fourteen (14) workdays of the date the denial notice is mailed.

Upon receipt of a denial letter from the LWIB, the training provider has the right to appeal that decision to the LWIB. The training provider’s written request for appeal must clearly indicate that the training provider wants to appeal the denial and must indicate the training program denied. The appeal should include the reasoning for the appeal and signed by the appropriate person.

The LWIB will review the request for appeal and based on the review, may reverse their original decision if an administrative error was made or if additional information submitted by the training provider changes the basis on which the original decision was issued. This initial process will be referred to as an administrative reconsideration and must be completed within twenty-one (21) workdays of the receipt of the request for appeal.

If the LWIB reverses a prior decision, the LWIB will forward the request and decision with a copy of the appeal file to OTR for inclusion on the statewide list and will also notify the training entity in writing that they have reversed their original decision and have forwarded the request to the OTR. The Office of Training and ReEmployment will then include that training program on the statewide list.

If the LWIB does not reverse the denial of the training program, the training provider may appeal that decision to the Office of Training and ReEmployment. That office will review the request for appeal and based on the review, may either uphold the LWIB decision or reverse the decision if an administrative error was made or if additional information submitted by the training provider warrants a change. If OTR reverses the LWIB decision, both the LWIB and the training provider will be notified of the reversal and the training program will be added to the statewide list. Regardless of whether the decision is to uphold or reverse the previous decision, the OTR level appeal process must be completed within twenty-one (21) workdays of the receipt of the request for appeal.

If the training provider receives an adverse decision from the OTR level review/appeal, that decision can be appealed to the Cabinet for Workforce Development. This written request for appeal must be submitted to the Office of Training and ReEmployment within fourteen (14) workdays of the receipt of the administrative reconsideration denial letter. The OTR will request that the Cabinet for Workforce Development conduct a hearing at which the training provider and the entity denying the training request will be allowed to present their individual cases to a hearing officer.

An administrative hearing officer will be a hearing officer in the Division of Administrative Hearings of the Office of the Attorney General, if available. This hearing officer will issue an independent decision based on information gathered at the hearing. A written decision will be issued to the training provider and appropriate entities within five (5) workdays from the date of the hearing. The decision of the hearing officer is final.

If the hearing officer reverses the denial, the LWIB and/or the Office of Training and ReEmployment will comply with the decision in a prompt and efficient manner. Procedures for certifying training programs, inclusion of the training program on the statewide list, and written notification to the training provider will be followed to insure inclusion on the statewide list within 30 calendar days.

A revised appeal process was written and initiated effective August 12, 1999.

**Page 39—III.B.3.c.vi.** In response to our comments on the state's original plan submission requesting that the state reference the state and local appeals process in its description of the process for reviewing training providers for the list of eligibles, the state indicated that the procedures for certifying training providers will include a reference to grievance procedures (see above discussion) that may be used by providers to appeal an adverse decision. The state must provide a time line (month/year) for completion of this plan requirement and provide appropriate descriptions for inclusion in the plan.

The appeals process for removing training programs or providers from the statewide list are the same as the response to Page 38---iii.B.3.c.i.

A revised appeal process was written and initiated effective August 12, 1999.

**Page 53—IV.B.3** The plan does not describe how funding streams will be used to coordinate and leverage other funds, including discussion and examples of how this coordination and leveraging will lead to a more effective program that encourages individuals and employers to become involved in the One-Stop system. Although the state's response did mention revenue-raising activities in general terms, it raises new questions and does not address the issue of state policy on how the various fund sources may be used by One-Stops to provide services; how costs may be charged to the affected programs; and how these design elements are being used to attract other state, local and non-governmental funds to support One-Stop services.

A cost allocation subcommittee comprised of both mandatory and suggested One-Stop partners is in place and meeting to discuss and propose solutions to these issues. The subcommittee has arranged for Carol McKone, Kentucky's USDOL cost negotiator, to come to Kentucky during the week of September 27th. Ms. McKone has agreed to present a workshop on cost allocation for the partners and interested agencies. The subcommittee is attempting to develop a technical assistance guide on cost allocation.

**Pages 27 and 56—Section IV.B.5** The state has not described the criteria established to determine that adult funds are limited and priority of service will apply. The state has indicated on page 17 of their response that "...Kentucky envisions that the priority of service policy will be implement since it is not expected that funds will be available to serve every individual eligible to receive services." The state should provide a description of the criteria that it has established by which local areas can determine the availability of funds. Please provide a time line for developing this information and provide it for inclusion in the plan.

The criterion to be used to determine the availability involves several aspects of the local Workforce Investment Area (LWIA). Criteria follows:



- The number of participants enrolled in training programs that extend into the new program year for which a commitment has been made;
- The total population of the LWIA;
- The most recent demographic breakout indicating the percent of the population that is:
  - a) Receiving some form of public assistance;
  - b) Classified as low-income individuals; and
  - c) Number unemployed; and
- The amount of WIA funds allocated to provide services to the participants in each LWIA
- Availability of other funds to meet needs, i.e. welfare-to-work funds, Rehabilitation Act funds, etc.

Each LWIA is responsible for identification and applicability of these (and other) factors at the local level. It is expected that each LWIA will have a written policy describing their service priorities. Such policies and procedures should insure compliance with the Act and Regulations as well as service to those in the local areas in need of such services. It is generally expected that such policies will be developed prior to the beginning of each program year, but may require revision as the year progresses.

**Page 58-IV.B.11 Additional information was requested on how Wagner-Peyser Act-funded services to MSFWs, including outreach and assessment, and services to agricultural employers will be provided. In regard to the state's response, "Kentucky will offer 10 core employment and training services through the comprehensive centers and satellites utilizing Wagner-Peyser staff either in person or electronically connected to staff located in DES local offices." What 10 core services will be provided? MSFWs should receive the full range of Wagner-Peyser Act services available to all job seekers. Also, please explain "electronically connected to staff located in DES local offices." Moreover, the plan must assure that equitable services to MSFWs will be provided in One-Stop system. Please explain how this will be assured in Kentucky.**

MSFWs will have access to the full range of training and employment services at each comprehensive center.

The satellite locations, while not offering all services on-site, will have electronic access to the comprehensive centers. All DES offices are electronically connected through the Kentucky Information Highway that allows for statewide connectivity to any applicant that is accessible to the Internet. This also includes any state agency that is authorized to access this information. DES staff will access all applicants' records and job orders regardless of which office took the initial application or job order. Most services available at DES offices will also be available through electronic connectivity such as job listings, labor market information, and registering for work. Kentucky is currently working toward the electronic filing of unemployment insurance claims as well.

Equitable services to MSFWs in Kentucky will be monitored by efforts of the full time DES Monitor Advocate. This will be accomplished by conducting an annual office review of DES field offices with the highest MSFW activity levels. There will be cooperative agreements with other agencies in the One-Stop system that will permit monitoring of MSFW activities by the MSFW Monitor Advocate.

**Page 64-V.A. Information has not been provided on how the state worked with local boards to establish the levels of performance goals and how the levels will result in improved customer satisfaction and continuous improvement.**

Performance levels have not yet been negotiated with the local areas because of late receipt of information on the method of computing state performance. When state performance measures are approved, local levels will be negotiated. It is anticipated that in future years, the local levels will be negotiated prior to the submittal of the state plan.

It is anticipated that increased customer satisfaction and improved performance will occur as the new WIA one-stop delivery system is refined and utilized. As partner agency staff becomes comfortable and knowledgeable about integrated services available to their customers through one-stop, increases in customer utilization and satisfaction will occur and agencies will experience improved performance.

**Page 64-V.B. The state's response still does not address when the state's common data and reporting system will be operational (please provide a time line). Additionally, the plan must describe the data to be collected from the various One-Stop partners (beyond that required by DOL), and how the statewide system will have access to this information. The state's response mentions the One-Stop Operating system (OSOS) and indicates that they are looking at other potential systems (WRIS) as well as options existing for sharing of customer information between agencies. If a common data system is not in place, the state must describe the time frame and plans for transitioning from the JTPA tracking system to the WIA tracking system, and the time frame for the system to be operational.**

Kentucky is looking at both a short-term and long-term solution to this issue. At this time, all One-Stop partners have individual legacy systems that hold all partner agency information. In the short-term, the JTPA MIS will be replaced by a WIA Title I system, which has been designed and is being tested by WIA Title I staff for statewide implementation by September 30, 1999. This system will capture all data elements listed in the Field Memorandum No. 46-99 Interim Transitional Reporting requirements. This will enable Kentucky to meet its reporting and performance requirements during PY '99. Kentucky's Department of Information Systems is also doing an analysis of using the America's Workforce System to interface the Department of Vocational Rehabilitation, Department for the Blind, Department for Employment Services,

Department for Adult Education and Literacy and new WIA Title I system which will allow a short-term solution for the exchange of information, services and activities received by one stop customers. This report is due by the middle of October.

For the long-term, the state is looking at the One-Stop Operating System as well as other systems, which will provide connectivity to all partner agencies. It would also allow sharing of information between one-stop partner agencies. It is anticipated that such a system will be operational by July 2000. Kentucky's expectation is that the selected one-stop system will capture all necessary reporting and performance elements.

February 22, 2000

Mr. Toussaint L. Hayes, Regional Administrator  
U. S. Department of Labor  
Employment and Training Administration  
Room 6M12-61 Forsyth Street, S.W.  
Atlanta, Georgia 30303

Dear Mr. Hayes:

The attached is submitted in response to your correspondence of December 13, 1999, concerning issues identified in Kentucky's Five-Year Strategic Plan for Workforce Investment.

Kentucky has been recognized as one of the nation's leaders of WIA implementation. Our continuing efforts support and cultivate enhancement of the Commonwealth's workforce investment system. We trust the attached information is sufficient to address the Department of Labor's concerns.

Contact Bill Gaunce, executive director of the Office of Training and ReEmployment, at 502-564-5360 if you have questions regarding Kentucky's response.

Sincerely,

Allen D. Rose  
Secretary

Attachments

February 22, 2000

Mr. Raymond L. Bramucci  
Assistant Secretary  
U. S. Department of Labor  
Employment and Training Administration  
200 Constitution Avenue, NW, Room S-5513  
Washington, DC 20210

Dear Mr. Bramucci:

The attached is submitted in response to the U.S. Department of Labor's correspondence of December 13, 1999, concerning issues identified in Kentucky's Five-Year Strategic Plan for Workforce Investment.

Kentucky has been recognized as one of the nation's leaders of WIA implementation. Our continuing efforts support and cultivate enhancement of the Commonwealth's workforce investment system. We trust the attached information is sufficient to address the Department of Labor's concerns.

Contact Bill Gaunce, executive director of the Office of Training and ReEmployment, at 502-564-5360 if you have questions regarding Kentucky's response.

Sincerely,

Allen D. Rose  
Secretary

Attachments

**Page 18-19, III.B.1.a.i.,ii., and 3.** Kentucky's previous response indicated that the State Board membership did not reflect WIA requirements and that additional appointments would be made during the summer of 1999. The State has now indicated that appointment of additional members will occur by the end of December 1999. The State Workforce Investment Board does not include all the members required under WIA section 111(b)(1)(C)(vi)(I) or (II) which provides that State Boards must include the lead State agency officials with responsibility for the One-Stop partner programs or, where there is no lead State agency official for a One-Stop program, a representative in the State with expertise in such program, service or activity. The Board does not appear to include a representative for the WIA sections 166 Indian and Native American programs and 167 Migrant and Seasonal Farm Worker program, which are required One-Stop partner programs. Information contained in the State Plan must reflect compliance with the membership requirements of WIA. The listing of the WIA Board membership should reflect not only the organizational representation, but the category of required representation as specified in the Act and regulations for each member.

The U.S. Department of Labor's response indicates that Kentucky does not have all of the members required under WIA Section 111(b)(1)(C)(vi)(I) or (II). Specifically, the issue was raised as to a representative for the WIA sections 166 Indian and Native American programs and 167 Migrant and Seasonal Farm Workers programs.

In regard to state board representation of these two programs, we trust the WIA Final Rule will clarify state board membership. Accordingly, a request will be made at that time to the governor's office for appropriate appointments.

As a result of recent exchanges with DOL representatives, we understand that a representative of the National Farm Worker Jobs Program would be the partner representative of the MSFW program.

The state would submit that since Secretary Allen D. Rose represents the Cabinet for Workforce Development and its agencies, Secretary Rose does, in fact, represent a number of required Title I partners whose administrative agencies fall under the Cabinet's umbrella. Specifically:

WIA Administrative Agency	Office of Training and ReEmployment
Wagner-Peyser	Department for Employment Services
Adult Education/Literacy	Department for Adult Education and Literacy
Vocational Rehabilitation	Department for Vocational Rehabilitation
TAA/TRA/NAFTA	Department for Employment Services
Veterans Program	Department for Employment Services
Unemployment Insurance	Department for Employment Services

As requested, attached is a listing of the WIA state board membership, including organizational representation and category.

(An updated listing (6/4/01) has been added since the time of this original response.)

# Kentucky Workforce Investment Board (As of 2/14/00)

<p>Adams, John W. State Representative - 8<sup>th</sup> District 6255 Huffman Mill Road Hopkinsville, KY 42240 <b>Rep: Legislators</b></p>	<p>Geary, Ronald G. Chairman, President &amp; CEO ResCare, Inc. 10140 Linn Station Road Louisville, KY 40223-3813 <b>Rep: Business</b></p>	<p>Patton, Paul E. Governor Commonwealth of Kentucky 702 Capitol Avenue Frankfort, KY 40601 <b>Rep: Governor</b></p>
<p>Armstrong, David Mayor, City of Louisville 601 West Jefferson Street - City Hall Louisville, KY 40202 <b>Rep: Chief Elected Officials</b></p>	<p>Grissom, Margaret P. President &amp; CEO, Bowling Green Area Chamber of Commerce 812 State Street Bowling Green, KY 42102 <b>Rep: Business</b></p>	<p>Pendleton, Joey State Senator - 3<sup>rd</sup> District Room 203 Capitol Annex Bldg. Frankfort, KY 50601 <b>Rep: Legislators</b></p>
<p>Baker, James E. 2121 Nicholasville Rd., Apt. 608 Lexington, KY 40503 <b>Rep: Other State Agency Officials</b></p>	<p>Head, Jr., Elmo Curtis Director, Kentucky National Guard Youth Challenge 321 Meadow Lane Frankfort, KY 40601 <b>Rep: Youth Activities</b></p>	<p>Rash, A.V. AEP KY 1701 Central Avenue Ashland, KY 41105-1428 <b>Rep: Business</b></p>
<p>Borders, Charlie State Senator - 18<sup>th</sup> District PO Box Q Russell, KY 41169 <b>Rep: Legislators</b></p>	<p>Jackson, Billy G. General Motors 148 New Coon Creek Road Glasgow, KY 42141 <b>Rep: Business</b></p>	<p>Richmond, Benjamin President/CEO Louisville Urban League 1535 W. Broadway Louisville, KY 40203 <b>Rep: Business</b></p>
<p>Butler, Frank Local Union 212 8664 Valley View Drive Florence, KY 41042 <b>Rep: Labor Organizations</b></p>	<p>Kuelpmann, Douglas R. VP, Public Affairs &amp; Communications United Parcel Service 1400 N. Hurstbourne Pkwy. Louisville, KY 40223 <b>Rep: Business</b></p>	<p>Roberts, Jr., E.C. (Eddy) State President - Kentucky BellSouth Telecommunications, Inc. Room 408, 601 West Chestnut Street Louisville, KY 40203 <b>Rep: Business</b></p>
<p>Clark, Larry State Representative - 46<sup>th</sup> District 5913 Whispering Hills Blvd. Louisville, KY 40219 <b>Rep: Legislators</b></p>	<p>Kustra, Robert W. President, Eastern KY University 521 Lancaster Avenue, CPO1A Richmond, KY 40475-3102 <b>Rep: Business</b></p>	<p>Rose, Allen D., Secretary Cabinet for Workforce Development 500 Mero Street, 2<sup>nd</sup> Floor Frankfort, KY 40601 <b>Rep: Workforce Dev. Cabinet</b></p>
<p>Clouse, Bill 198 Adams Avenue Hopkinsville, KY 42240 <b>Rep: Community Based Orgs.</b></p>	<p>Lafferre, Dale A. Secretary/Treasurer KY Bldg. &amp; construction Trades Council 1317 Berry Blvd. Louisville, KY 40215 <b>Rep: Labor Organizations</b></p>	<p>Shane, James E. Executive Director KY Commission on Military Affairs 66 Wilkinson Blvd. Frankfort, KY 40601 <b>Rep: Business</b></p>
<p>Collins, Martha Layne Executive Scholar in Residence Georgetown College 400 East College Street Georgetown, KY 40324 <b>Rep: Business</b></p>	<p>McCall, Michael Baxter President, KCTCS PO Box 14092 Lexington, KY 40512-4092 <b>Rep: Business</b></p>	<p>Sotsky, George R. President, Republic Industries 3000 West Broadway Louisville, KY 40211 <b>Rep: Business</b></p>
<p>Cooper, Dudley Ohio County Judge/Executive PO Box 146 Hartford, KY 42347 <b>Rep: Chief Elected Officials</b></p>	<p>McQueen, Randy Vice President / Labor Liaison Metro United Way 334 East Broadway Louisville, KY 40202 <b>Rep: Community-Based Orgs.</b></p>	<p>Taylor, Glenna President, ARC of Barren County 363 Barbour Road Glasgow, KY 42141 <b>Rep: Business</b></p>
<p>Englemon, David 1313 Highland Ridge Boulevard Highland Heights, KY 41076 <b>Rep: Business</b></p>	<p>Meurer, Kay, President Kay Meurer's Office Furnishings 11420 Bluegrass Parkway Louisville, KY 40299 <b>Rep: Business</b></p>	
<p>Garrison, Michael E. 1409 Valley View Road New Albany, IN 47150 <b>Rep: Business</b></p>	<p>Oilschlager, Kenneth H. Pres. &amp; CEO, KY Chamber of Commerce PO Box 817 Frankfort, KY 40602 <b>Rep: Business</b></p>	

### Kentucky Workforce Investment Board (As of 6/4/01)

Adams, John W. State Representative - 8 <sup>th</sup> District 6255 Huffman Mill Road Hopkinsville, KY 42240 <b>Rep: Legislators</b>	Garrison, Michael E. 1409 Valley View Road New Albany, IN 47150 <b>Rep: Business</b>	Pendleton, Joey State Senator – 3 <sup>rd</sup> District Room 203 Capitol Annex Bldg. Frankfort, KY 50601 <b>Rep: Legislators</b>
Armstrong, David Mayor, City of Louisville 601 West Jefferson Street - City Hall Louisville, KY 40202 <b>Rep: Chief Elected Officials</b>	Geary, Ronald G. Chairman, President & CEO ResCare, Inc. 10140 Linn Station Road Louisville, KY 40223-3813 <b>Rep: Business</b>	Ramsey, Dr. James State Budget Director 702 Capitol Avenue , Suite 284 Frankfort, KY 40601 <b>Governor's Proxy</b>
Baker, James E. 2121 Nicholasville Rd., Apt. 608 Lexington, KY 40503 <b>Rep: Other State Agency Officials</b>	Grissom, Margaret P. President & CEO, Bowling Green Area Chamber of Commerce 812 State Street Bowling Green, KY 42102 <b>Rep: Business</b>	Ramsey, Ronald J. Executive Director Ky Farmworker Programs, Inc. 1844 Lyda Street Bowling Green, KY 42102 <b>Rep: Farmworkers</b>
Borders, Charlie State Senator - 18 <sup>th</sup> District PO Box Q Russell, KY 41169 <b>Rep: Legislators</b>	Head, Jr., Elmo Curtis Director, Kentucky National Guard Youth Challenge 321 Meadow Lane Frankfort, KY 40601 <b>Rep: Youth Activities</b>	Rapier, Nicholas B. Utility Executive Salt River Electric 111 West Brashear Bardstown, KY 40004 <b>Rep: Business</b>
Clark, Larry State Representative - 46 <sup>th</sup> District 5913 Whispering Hills Blvd. Louisville, KY 40219 <b>Rep: Legislators</b>	Jackson, Billy G. General Motors 148 New Coon Creek Road Glasgow, KY 42141 <b>Rep: Business</b>	Rash, A.V. AEP KY 1701 Central Avenue Ashland, KY 41105-1428 <b>Rep: Business</b>
Clouse, Bill 198 Adams Avenue Hopkinsville, KY 42240 <b>Rep: Community Based Orgs.</b>	Jones, Annette Counselor, NIA Center 2900 West Broadway Louisville, KY 40211 <b>Rep: Native Americans</b>	Richmond, Benjamin President/CEO Louisville Urban League 1535 W. Broadway Louisville, KY 40203 <b>Rep: Business</b>
Cole, James P. Local 212 IBEW 1216 E. McMillan Street Cincinnati, OH 45206 <b>Rep: Labor</b>	McCall, Michael Baxter President, KCTCS 2624 Research Park Drive Lexington, KY 40512-4092 <b>Rep: Business</b>	Rose, Allen D., Secretary Cabinet for Workforce Development 500 Mero Street, 2 <sup>nd</sup> Floor Frankfort, KY 40601 <b>Rep: Workforce Dev. Cabinet</b>
Collins, Martha Layne Executive Scholar in Residence Georgetown College 400 East College Street Georgetown, KY 40324 <b>Rep: Business</b>	McQueen, Randy Vice President / Labor Liaison Metro United Way 334 East Broadway Louisville, KY 40202 <b>Rep: Community-Based Orgs.</b>	Shane, James E. Executive Director KY Commission on Military Affairs 66 Wilkinson Blvd. Frankfort, KY 40601 <b>Rep: Business</b>
Cooper, Dudley Ohio County Judge/Executive PO Box 146 Hartford, KY 42347 <b>Rep: Chief Elected Officials</b>	Meurer, Kay, President Kay Meurer's Office Furnishings 11420 Bluegrass Parkway Louisville, KY 40299 <b>Rep: Business</b>	Sotsky, George R. President, Republic Industries 3000 West Broadway Louisville, KY 40211 <b>Rep: Business</b>
Dixon, Mike Business Manager Plumbers & Steam Fitters #248 P. O. Box 427 Ashland, KY 41105 <b>Rep: Labor</b>	Mills, Todd , Human Resource Manager Toyota Motor Mfg. 25 Atlantic Avenue Erlanger, KY 41018 <b>Rep: Business</b>	Taylor, Glenna President, ARC of Barren County 363 Barbour Road Glasgow, KY 42141 <b>Rep: Business</b>
Englemon, David 1313 Highland Ridge Boulevard Highland Heights, KY 41076 <b>Rep: Business</b>	Oilschlager, Kenneth H. Pres. & CEO, KY Chamber of Commerce PO Box 817 Frankfort, KY 40602 <b>Rep: Business</b>	



**Page 23,III.B.1.f. The State has yet to develop criteria to be used by the Governor and Local Boards for identification of effective and ineffective youth activities and providers of youth activities. Neither has the State provided a timeline for completion of the criteria nor indicated when it will be provided for inclusion in the State Plan. The State's previous response indicated that the Governor will work in concert with the State Board to determine effective and ineffective youth activities as well as acceptable levels of performance for providers of youth activities, and that a youth subcommittee will provide recommendations. The State has indicated in the current response that it is awaiting further development of its organizational structure and issuance of State guidance, and until that occurs, it will rely upon previous JTPA experience to direct them toward historically successful approaches and guidance.**

**The State Plan must specify the criteria to be used by Local Boards in awarding grants for youth activities, and criteria to be used by the Governor and Local Boards for identification of effective and effective youth activities and providers of youth activities.**

Listed below is the criteria to be used by local boards in awarding grants for youth activities, as well as criteria to be used for identification of effective and ineffective youth activities and providers of youth activities:

- Local boards shall identify eligible youth providers by awarding contracts and grants on a competitive basis based upon the recommendations of the local youth council. The local boards shall submit to the Office of Training and ReEmployment a list of eligible providers of youth activities to be maintained at the state level.
- Local boards shall not, for a period of one year, contract with a youth provider failing to meet local youth performance measures for two consecutive years.
- Local boards shall consider the youth service provider's previous experience in working with economically disadvantaged youth and youth facing barriers.
- The Governor will examine the needs of local areas having high concentrations of eligible youth to determine what assistance the 15% reserve can provide.

Effective youth activities will include appropriate design elements from the ten (10) program elements required under the law.

A portion of the Governor's reserve funds have been utilized to contract with the Kentucky Department of Education to partner in funding the Jobs for Kentucky's Graduates (JKG) program, a dropout prevention and school-to-work transition model. The program will serve approximately 600 at-risk students (aged 14-21, grades 9 through 12) at approximately 40 local schools throughout Kentucky.

**Page38-III.B.3.c.i The plan must provide a description of the appeals process in regard to denial of training provider eligibility (reference Section 122(g)). Describe both the local and State processes. The state's response to our initial request for additional information references their response regarding the appeals of local area designation. Under WIA, these are different appeals processes which must be specified in the state plan. Please also provide a time line (month/year) for implementing appropriate appeals procedures.**

Training providers can have a training program denied inclusion on the statewide training provider list by the LWIA. The denial letter will be mailed to the training provider at the address listed on the application and to the attention of the contact person identified on the application. The letter will clearly display the "date mailed" on the denial notice and will clearly identify the proposed training program and the specific reason for denial. The denial notice will also clearly state that the training entity has the right to appeal (in writing) within ten (10) workdays of the date the denial notice is mailed.

The training provider's written request for appeal must clearly indicate that the training provider wants to appeal the denial and must indicate the training program denied. The appeal should include the rationale for the appeal and the signature of the appropriate person.

The LWIB will review the request for appeal and, based on the review, may reverse their original decision if an administrative error was made or if additional information submitted by the training provider changes the basis on which the original decision was issued. The process will be referred to as the LWIA administrative reconsideration and must be completed within fifteen (15) workdays of the receipt for the request for appeal. If the LWIB reverses a prior decision, the LWIB will forward the approved request to the State for inclusion on the statewide list and will also notify the training entity in writing that they have reversed their original decision and have forwarded the request to the State.

If the LWIA does not reverse the original decision, a second denial letter will be sent to the training provider. The second denial letter will be mailed to the training provider at the address listed on the application and to the attention of the contract person identified on the application; will clearly display the "date mailed" on the second denial notice; and will clearly identify the program that was denied and the specific reason for denial. The second denial notice will also clearly state that the training entity has the right to appeal (in writing) to the Office of Training and ReEmployment (OTR) within ten (10) workdays of the date the denial notice is mailed. The LWIA will send a copy of the second denial letter to the Office of Training and ReEmployment.

The training provider's written request for appeal to OTR must clearly indicate that the training provider wants to appeal the LWIA denial and must indicate the training program denied. The appeal should include the reasoning for the appeal and be signed by the appropriate person.

OTR will review the request for appeal and, based on the review, may reverse their original LWIA decision if an administrative error was made or if additional information submitted by the training provider changes the basis on which the original LWIA decision was issued. This process will be referred to as the OTR administrative reconsideration and must be completed within fifteen (15) workdays of the receipt for the request for appeal. If OTR reverses the LWIB decision, OTR will notify both the LWIB and the training entity of the reversal and will follow the appropriate procedures to incorporate the training program into the statewide list.

If OTR does not reverse the original decision, a denial letter will be sent to the training provider. The denial letter will be mailed to the training provider at the address listed on the application and to the attention of the contact person identified on the application; will clearly display the "date mailed" on the denial notice; clearly identify the program that was denied and the specific reason for denial, and state that the training entity has the right to appeal this decision with the Workforce Development Cabinet, Office of General Counsel. The appeal must be done within ten (10) workdays of the receipt of the OTR administrative reconsideration denial letter. OTR will provide a copy of the denial letter to the WDC Office of General Counsel.

The Cabinet for Workforce Development will conduct a hearing at which the training provider and the entity denying the training request will be allowed to present their individual cases. The Cabinet hearing officer will issue an independent decision based on the information gathered at the hearing. A written decision will be issued to the training provider and appropriate entities within ten (10) workdays from the date of the hearing. The decision of the Workforce Development Cabinet hearing officer is final.

If the Cabinet hearing officer reverses the denial, the LWIBA and/or State will comply with the decision in a prompt and efficient manner. Procedures for certifying training programs, inclusion of the training program on the statewide list, and written notification to the training provider will be followed to include the program on the statewide list.

**Page 53, IV.B.3 Our June 30, 1999, letter indicated that the State Plan does not describe how funding streams will be used to coordinate and leverage other funds, including discussion and examples of how this coordination and leveraging will lead to a more effective program that encourages individuals and employers to become involved in the One-Stop system. Based on our review of the State's latest response, more information is needed from the cost allocation subcommittee formed to address issue funding/leveraging issues regarding One-Stops. How will various fund sources be used in One-Stops to provide services; and how are costs to be charged to the affected programs?**

The cost allocation subcommittee has been meeting since mid-August 1999 to discuss issues surrounding the funding of Kentucky's One-Stop centers. To date, the subcommittee has recommended that each mandatory and suggested partner attempt to co-house their local service delivery personnel in One-Stop centers and provide direct

funding for the services which are mandated by their Federal legislation. Any costs that are "shared" by the co-housed partners (i.e. rent, utilities, supplies, receptionist) will be allocated to each partner via a cost allocation plan that will be attached as part of the local Memorandum of Understanding (MOU).

The cost allocation subcommittee has drafted a set of guidelines to be used by the Local Workforce Investment Boards (LWIBs) to develop a cost allocation plan for the distribution of the shared costs to each participating partner. The guidelines provide the LWIBs with general administrative requirements, the composition of a cost allocation plan, instructions for calculating each partner's share of "pooled" costs (including acceptable allocation bases) and establishing payment agreements. The guidelines also identify several "barriers" that the LWIBs will encounter during their process of selecting the location of the centers and co-housing the service delivery personnel in those centers.

The aforementioned "barriers" were a determining factor in the subcommittee's decision to recommend how Kentucky's One-Stop centers are funded. For example, in many situations, a partner's Federal requirements will not allow the partner to pay for any cost related to the provision of another partner's federally-mandated services (i.e., Vocational Rehabilitation cannot pay any of the cost of providing Wagner-Peyser activities). State laws governing the lease of property for occupancy by the State employees who deliver services at the local level will not permit the co-housing of non-state employees (LWIB staff) in State leased facilities. In Kentucky, the Department for Adult Education and Literacy contracts with various entities to deliver services at the local level. These contracts have to be renegotiated to add additional costs for the provision of services through a One-Stop center. These barriers not only affect the selection of the centers' location, but the level of services that may be provided through the centers.

**Page 58-IV.B.11 Additional information was requested on how Wagner-Peyser Act-funded services to MSFWs, including outreach and assessment, and services to agricultural employers will be provided. In regard to the state's response, "Kentucky will offer 10 core employment and training services through the comprehensive centers and satellites utilizing Wagner-Peyser staff either in person or electronically connected to staff located in DES local offices." What 10 core services will be provided? MSFWs should receive the full range of Wagner-Peyser Act services available to all job seekers. Also, please explain "electronically connected to staff located in DES local offices." Moreover, the plan must assure that equitable services to MSFWs will be provided in One-Stop system. Please explain how this will be assured in Kentucky.**

The Kentucky Department of Agriculture estimates there are 90,000 farms in Kentucky, ranking 5<sup>th</sup> in the number of farms to Texas, Missouri, Iowa and Tennessee.

Tobacco continues to be the largest crop for the state and the most lucrative profit center for individual farmers. However, the burley tobacco basic quota for 1999 was 309.4 million pounds, down 28.8 percent, with another substantial cut announced for the coming year.

Tobacco requires hand labor at three distinct times in the growing cycle: setting (transplanting) in the spring, cutting and housing (harvesting) in summer, and stripping (market preparation) in the fall to late winter. The practical technology of tobacco cultivation remains largely unchanged from its pre-World War II state.

In 1989, tobacco producers began experiencing spot labor shortages in some areas of the state. To meet the demands for labor to harvest the tobacco crop, producers began employing migrant and seasonal farm workers (MSFWs). Initially, private sector systems were used to locate and recruit farm workers. In 1990, tobacco producers began to request H-2A workers through the Department of Employment Services. H-2A utilization has grown from twenty participating employers in 1990 to over four hundred employers in 1998. Labor supply states, particularly Florida and Texas, have been decreasing the number of U.S. workers being referred to Kentucky in response to the H-2A orders.

Increasingly, U.S. farm workers are migrating to Kentucky through ongoing, direct relationships with individual farmers.

Kentucky has a relatively short growing season, with the peak MSFW activity being during tobacco cutting and housing (harvest activities) which take place during July, August and September. This is the most labor-intensive

process in tobacco production, requiring an estimated 25,000 workers at peak. There is nominal activity in the spring and fall, and very little, if any, activity during the winter months.

Vegetable production remains a small portion of Kentucky's agricultural picture. The 1997-1998 Kentucky Agricultural Statistics Handbook does not even report production and income figures for vegetables. Vegetable production appears to be limited to the central and western parts of the state. Wage survey data collected by the Department for Employment Services during 1998 indicates that the majority of vegetable producers are small family operations. There are, however, a few large vegetable growing operations in the Louisville and Owensboro areas.

Kentucky's nursery and landscape industries contribute more than \$695 million to the economy annually. The wholesale nursery industry is beginning to use migrant workers to meet seasonal labor demands. These employers are primarily using private sources to recruit MSFWs.

Throughout the year, the Department for Employment Services registers applicants who are seeking either farm work or whose experience includes recent farm work. During PY-98, DES received job orders totaling 3500 openings statewide. Orders requesting H-2A or ARS workers are responsible for approximately 85% of the openings.

Kentucky's Department of Agriculture states there are approximately 20,000 Migrant Seasonal Farm Workers in Kentucky. DES estimates 9,000 MSFWs were in the state specifically working the tobacco harvest season in PY-98.

Kentucky continues to establish comprehensive and satellite One Stop centers throughout the state. The comprehensive centers offer a full range of employment and training services, including WIA, ABE/Literacy, ESL, DES, Kentucky Farmworker Programs, and School-to-Work. MSFWs are afforded access to these and other services as well as information in local communities and across the state. Interpreters are available on an as needed basis.

DES maintains productive relationships with the Kentucky Farmworker Program (402 grantee), the Kentucky Department of Education's Migrant Education Program, the Kentucky Farm Bureau, and the University of Kentucky Agricultural Extension Service. DES staff maintain an open line of communication with Texas Rural Legal Services and the Kentucky Migrant Legal Services.

A task force established with DES, Department of Agriculture, USDA Farm Service Agency, U.S. Department of Labor, U.S. DOL Wage and Hour, Kentucky Farmworkers Programs Inc., U.K. Cooperative Extension Service, Kentucky Department of Education, Farm Bureau, USDA state statistician and the Governor's office continues to provide information to assist the farmer/employer in the recruitment, employment and housing of migrant labor.

DES states it will operate an outreach program designed to locate, identify and contact those MSFWs who are not being reached through normal intake activities conducted at the local office level. A DES central office staff position is fully dedicated to the position of Monitor Advocate.

The Department for Employment Services has proposed activities that will facilitate outreach services. Specific local offices have designated a staff member who has been trained in the MSFW Outreach Requirements. This worker will provide outreach services by visits to work sites, MSFW housing and other areas of work concentration, contacting both incoming migrants as well as local seasonal workers. They will provide an explanation of all DES services, including job placement and available jobs, both agricultural and nonagricultural. Workers will be registered and provided information on services offered by other agencies in the community and locations of these agencies. Outreach workers will carry identification as employees of DES.

Each DES field office will be required to obtain interpreters as needed. All written materials concerning DES services, complaint procedures, and other agencies' services will be available in Spanish. The AT&T Language Line Service, 1-800-752-6096, is also available to field offices.

The DES Monitor Advocate will conduct an annual review of the ten field offices with the highest MSFW activity levels. Although the following offices are not designated as being significant in PY-99, DES is maintaining the same level of concentration of outreach as in PY-98.

Louisville	75
Glasgow	60
Bowling Green	50
Hopkinsville	50
Owensboro	65

A comparison of the DES MSFW activity in PY-98 to PY99 projections as follows:

<b><u>Activity</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>
Outreach contacts	300	400
Applications filed	120	150
Referred in jobs	64	100
Job development contacts	16	25
Referred to support services	20	50
Counseled	24	25
Provided some services	90	120

The Kentucky Farmworker Programs, Inc. (KFP) reports, during PY-98, their statewide organization enrolled 962 farm workers. Of these, 202 were placed into training, 276 entered unsubsidized employment; 494 received supportive services. A total of 22 were interstate migrants.

As of January 30, 2000, KFP has enrolled 472 farm workers, of which 13 were interstate migrants. The remaining were seasonal farm workers who are resident Kentuckians. Of these, 234 were placed into training; 12 into classroom training, 12 youth (16-18 years of age) into tryout employment and 210 into on-the-job training. A total of 173 have been placed in unsubsidized employment. At least 60 were provided supportive services.

KFP is implementing a housing grant to assist migrant and seasonal farm workers in finding housing. Counties involved are Adair, Clinton, McCreary and Wayne. Grant workers will determine eligibility, survey MSFWs' housing needs and available housing. They will also work with local officials and organizations to promote and initiate the development of affordable housing.

The executive director of KFP serves on a local workforce development board. Three KFP staff members have moved their offices into One-Stop locations.

DES provides services to agricultural employers through their local offices and is supported by the agricultural program coordinator and the state monitor advocate in the central office.

During PY-98, DES posted 2,650 job opening filed by employers seeking H-2A certification. They will continue to use local and state wide networks to identify farmers who employ migrant and seasonal laborers.

Since 1992, the Kentucky Department for Employment Services has actively promoted the Agricultural Recruitment System to Kentucky farmers as an alternative to the H-2A program. This has been done through meetings with tobacco growers and disseminating written materials. Success in this effort has been erratic with demand for U.S. workers varying by as much as 50% from year to year.

Employers who inquire about recruiting workers through DES will be provided with information about local job orders and the Agricultural Recruitment System and given an honest assessment of the probability of finding workers through these methods.

DES will continue to provide speakers to agricultural associations and groups by invitation. DES staff will maintain participation, as ex officio members, with the Kentucky Farmworker Program (402 grantee) board and the Farm Labor Advisory Committee of the Kentucky Farm Bureau.

DES field offices will actively promote the availability of agricultural openings and encourage U.S. workers to apply for these jobs. Announcements will be placed in the lobbies of all field offices having agricultural openings and at selected sites farm workers are likely to frequent.